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ASEAN Countries Sign Agricultural Agreement

BK0411101693 Bangkok Radio Thailand Network in English 0000 GMT 4 Nov 93

[Text] ASEAN countries have signed a memorandum of understanding on agricultural cooperation. Deputy Agriculture Minister Suthep Thuaksuban says the agreement came at the conclusion of a meeting of ASEAN agriculture ministers held recently in Brunei Darussalam. The ASEAN countries—Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand, agreed to cooperate on technological development for agricultural products. Mr. Suthep says the meeting also agreed to designate twelve agricultural products to be jointly promoted for production and export by the ASEAN region. These include frozen chicken, canned pineapple, rubber, tapioca, and coconut oil. The ASEAN countries have also agreed to standardize plant and animal quarantine system in the grouping. According to Mr. Suthep, the meeting has announced the ASEAN's stand on forestry, and will urge the United Nations to force all countries to comply with the international forestry agreement.

ASEAN To Expand Sci-Tech Cooperation With PRC

BK0511075793 Bangkok XING XIAN RIBAO in Chinese 4 Nov 93 p 8

[Text] ASEAN has agreed to send experts to China to expand scientific and technological cooperation between ASEAN and China.

The agreement was reached by senior ASEAN officials during the thee-day meeting of the 27th ASEAN Standing Committee in Bangkok. During the September visit to Beijing by the ASEAN secretary and his delegation of high-ranking ASEAN officials, ASEAN decided to establish two committees for trade and scientific and technological cooperation with China to enhance bilateral cooperation between the two sides.

ASEAN hopes that China will provide remote sensing and other technology to ASEAN. In trade, ASEAN is now China's fifth largest trading partner. Chinese Deputy Foreign Minister Tang Jiaxuan recently said that trade and technological cooperation between China and ASEAN will be beneficial for regional prosperity and stability.

China is a consultative partner of ASEAN. Foreign Minister Prasong Sunsiri, in his capacity as chairman of the ASEAN Standing Committee, has invited China, the United States, Russia, Japan, and other relevant countries to attend an ASEAN regional security forum to be held in Bangkok next July. The forum will discuss regional political and security issues. This will be a ministerial conference for the establishment of new order for the Asia-Pacific region after the end of the Cold War.

The senior ASEAN officials also reaffirmed that ASEAN will strengthen its cooperation with ASEAN observer countries—Laos and Vietnam—in various fields.

ASEAN will also hold the first ministerial meeting with India next year to discuss cooperation between ASEAN and India. The senior ASEAN officials also approved Thailand's proposal to declare 1995 the ASEAN Year of the Environment because of the deteriorating environmental situation. The officials also reached a consensus on the ASEAN flag—a yellow ASEAN logo in the center of a blue background.

Thai Bank Official Urges ASEAN To Ease Tariffs

BK0711025493 Bangkok THE NATION in English 7 Nov 93 p A2

[Text] A senior Bank of Thailand official has urged Asean countries to start discussing how to liberalize financial services under the Asean Free Trade Area (Afta) to resolve differences in official regulations add taxation of financial businesses.

Afta is a mechanism, agreed to by all the Asean leaders, to iron out the differences, particular the tariffs on manufactured goods, which are impeding a greater volume of intra-Asean trade. Afta, however, does not embrace the services and financial sector.

Speaking at the 23rd Asean Banking Council Meeting over the weekend Roengchai Marakanon, deputy governor of the Bank of Thailand, called on Asean countries to start discussions on ways to resolve the differences in regulations and taxation—major factors hindering the growth of international financial business in the region.

"And I hope that during this meeting, we will be able to at least initiate some informal discussion on this issue," he said.

Roenchai also urged the private and public sectors to work towards deregulating and liberalizing the financial sector.

This would introduce financial innovation and new practices that financial institutions need to adopt to keep pace with the fast changing competitive trend in the global market.

As the global trend has been moving towards increasing openness and enhancement of the market mechanism, no longer can national policies and strategies be set without considering events in other parts of the world, he said.

According to him, the first concern of the financial scene are financial liberalization and deregulation policies undertaken by various regulatory authorities in the region and the financial institutions' adjustments to such policy measures.

The second concern on the prospects for financial cooperation among Asean bankers, in the face of the present climate of deregulation and liberalization, is the conclusion of the Uruguay Round of multilateral trade talks under the auspices of the General Agreement on Tariffs and Trade (Gatt), which includes the negotiations on trade in services for the first time.

If the Round concludes by the deadline of Dec 15, Gatt members will have to liberalize the service sector, according to Gatt rules.

The last concern is the policy to expand financial services to rural areas, and financial policy measures to promote rural development.

Lao Official on Mekong Committee Accord

OW1111122293 Tokyo KYODO in English 1153 GMT 11 Nov 93

[By Tim Johnson]

[Text] Tokyo, Nov. 11 KYODO—Laos' Deputy Foreign Minister Phongsavat Boupha said here Thursday [11 November] an agreement between Laos, Thailand, Cambodia and Vietnam to revitalize the Mekong Committee is unlikely to see fruition within the year.

"It is not easy to quickly settle problems that concern national interests," Phongsavat said in an interview with KYODO NEWS SERVICE.

"It may take another year to unite all these countries," said Phongsavat, a 47-year-old former ambassador to China, who is visiting Japan on the Foreign Ministry's opinion leaders invitation program.

Phongsavat said Laos, Cambodia and Vietnam agree among themselves on the principles and other contents of a draft accord being worked out to revitalize the committee through a new framework of Mekong cooperation. But he said Thailand is still diverging when it comes to principles for sustainable utilization of the water resources of the Mekong River system.

"I think one country cannot continue objecting to the common position of the other countries," he said.

Last February, working-level representatives of the four countries met in Hanoi under the chairmanship of the UN Development Program (UNDP) and agreed to strive for agreement before the end of October 1993, but failed to meet the target date after a series of meetings. The next meeting is scheduled to be held in Hanoi soon after an international conference in Tokyo next month on the comprehensive development of Indochina.

The UN-sponsored committee, founded 36 years ago to supervise development and utilization of the Mekong River, was initially active in grandiose mainstream development plans, including construction of numerous dams. But it lost momentum in the 1970s due to a succession of wars and the triumph of communism in all three Indochinese countries.

After Cambodia opted out of the committee during the period of Khmer Rouge rule, the remaining three countries decided in 1978 to continue consultations as the Interim Mekong Committee, agreeing that the full committee would be reactivated when Cambodia returned.

Cambodia effectively returned to the committee last December, but Thailand and Vietnam have been at loggerheads over Bangkok's desire to scrap the original 1957 accord, which required unanimous approval before any project could be implemented involving the Mekong's waters and tributaries.

Bangkok wants to divert water from the Mekong to irrigate its arid northeast region, while Hanoi says the scheme threatens the fertile rice fields of its southern delta.

Phongsavat said a current point of contention is Thailand's opposition to the other three countries' desire to see the quadripartite talks raised from the working level to the ministerial level in an effort to overcome disputes on such matters as water use.

The Laotian official said his country supports Thailand's proposal to include the upper Mekong riparian countries of China and Myanmar [Burma] in the committee. He said Laos rejects proposals from China and Thailand that a stretch of river between Myanmar and Laos be dynamited to make the Mekong navigable for heavy commercial and tourist traffic.

Taiwanese Company Joins Advertising Federation

OW0911153793 Taipei CNA in English 0840 GMT 9 Nov 93

[By Mike Chang and Y.C. Tsai]

[Text] Tokyo, Nov. 8 (CNA)—The Taipei Association of Advertising Agencies became a full member of the Asian Federation of Advertising Associations (AFAA) at the 18th Asian advertising conference here Monday [8 November].

The association's accession to AFAA marks a major breakthrough for advertising agencies in Taiwan, said Taiwan delegation leader Shen Ta-chi.

Shen noted that Taiwan was among the few countries at the founding of the biannual Asian advertising meeting in Tokyo in 1958 and the fifth meeting was held in Taipei in 1966. However, Taiwan was forced out of the meeting in 1978 due to a Mainland China boycott.

Taipei's new membership in AFAA is in accord with new revisions to the organization's rules and regulations, which allow a city advertising group to join the organization under the name of the city, Shen pointed out.

India and Hong Kong were also accepted at the conference, bringing AFAA's total membership to 14.

About 1,000 advertising executives and representatives from 14 Asian countries are taking part in the Tokyo meeting, which opened Monday and will continue through Wednesday. The 80-member Taipei delegation is the second largest group, next only to Japan.

Japan

'Market-Opening Program' Detailed

OW1111112493 Tokyo KYODO in English 1111 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Japan will offer to cut tariffs on 6,500 industrial products by an average 60 percent in the Uruguay Round of world trade talks, government sources reported Thursday [11 November]. The sources said the decision will be incorporated in a market-opening program expected to be submitted to the Geneva-based General Agreement on Tariffs and Trade November 19.

They said Japan also is prepared to lower tariffs on leather goods depending on progress in the multilateral trade negotiations.

Japan, in response to a U.S. demand, has already agreed to lower tariffs on nonferrous metals to a uniform 3.0 percent while abolishing duties on furniture and medical equipment.

Its market-opening report will also include the abolition of tariffs on six items, including paper-pulp and Chinaware, on a reciprocal basis, the sources said.

Japan's average tariff cut on industrial items compares with a reduction of 37 percent by the United States and 35.5 percent by the European Community. With the decision, the focus of the Uruguay Round negotiations will shift to farm trade, the sources said.

The sources said the Japanese report will incorporate tariff rates on a total of 8,000 farm, industrial and mining items but leave open rates on 21 farm and dairy items, including rice.

GATT has set the deadline for the report for Monday. The Japanese Government, however, plans to submit it to GATT November 19 because of slow progress in negotiations between the United States and the European Community, they said.

The 700-page Japanese report will consist of two parts, one comprising 1,200 farm items and the other covering 6,800 nonfarming items—6,500 mining and industrial goods and 300 forestry and fishery products, the sources said. Decisions on the 21 sensitive items will be withheld because of strong opposition from domestic producers, they said.

'Little Progress' Made in U.S. Insurance Talks

OW1111040393 Tokyo KYODO in English 0340 GMT 11 Nov 93

[Text] Washington, Nov. 10 KYODO—Trade negotiators from Japan and the United States Wednesday [10 November] held talks on foreign access to Japan's insurance market and government purchases of telecommunications equipment, but reported little progress toward narrowing their differences. Both sides conceded that a big gap remains between their positions, and agreed to meet again, possibly sometime next month.

The current round of talks, which began in Washington on Monday, are being held under the so-called "framework" trade accord, which commits the two countries to work out a new framework for a more balanced bilateral trade relationship.

Under the terms of the accord, trade negotiators have until next January to work out an agreement on issues concerning foreign access to Japanese Government procurement and the Japanese insurance market.

Officials said the talks Wednesday focused mainly on counter-proposals Japan made on these two market sectors in response to the proposals the U.S. had outlined in a previous round of talks in Tokyo last month. Both sides acknowledged that their positions remained wide apart.

Neither side would provide details of their negotiating stance, but Japanese officials said the Japanese proposals contain no "quantitative criteria" to measure progress on market-access issues. "We understand the United States prefers quantitative indicators but we would like to use qualitative indicators," a Japanese official said.

The controversy over "quantitative" and "qualitative" benchmarks reflects a basic difference in approach between Tokyo and Washington concerning how Japan's massive trade surplus can be reduced.

The U.S., charging that the foreign share of the Japanese market in manufactured goods is small by comparison with comparable shares in other industrialised nations, has demanded that Japan move toward the international "norm" over a period of three to four years.

Japanese trade officials have balked at the U.S. demand, arguing that such a "results-oriented" approach is incompatible with market-driven free trade. U.S. trade negotiators, however, have stuck to the U.S. position.

Commenting on Wednesday's talks on Japan's insurance market, a U.S. official said an agreement "requires considerable movement on the side of Japan."

There must be a "prompt, substantial, and continuous" increase in the foreign share of the Japanese insurance market, the U.S. official said.

U.S. Numerical Trade Target Demand Rejected

OW1111054093 Tokyo NHK General Television Network in Japanese 0315 GMT 11 Nov 93

[Announcer-read report, followed by video report by correspondent Nobuyuki Itagaki in Washington on the Japanese-U.S. trade talks held in Washington on 10 November; from the "NHK News" program]

[Text] Japan and the United States are now engaged in economic consultations in Washington. At the talks held on 10 November, consultations started on the issue of government procurement of telecommunications equipment. The Japanese delegation has submitted its basic program, which includes a plan to limit government procurement guidelines to the government itself and government-affiliated organizations but to exclude local self-governing bodies, although the United States had demanded that the latter be included.

[Begin recording of NHK correspondent Nobuyuki Itagaki in Washington] Consultations on the government procurement of telecommunications equipment started at the office of the U.S. trade representative in Washington on 10 November. For the first time, the Japanese delegation presented the government's basic principles of its procurement process.

The document indicates the principle of limiting government procurement to the government itself as well as organs affiliated with the government. However, local self-governing bodies will not be included, although the United States had demanded that they be.

Moreover, the United States has requested that Japan increase the percentage of foreign products in its government procurement to the same level as that by the other industrialized nations. With regard to this issue, the Japanese delegation rejected the U.S. demand to set numerical targets.

In response, the United States once again requested that Japan reconsider including local self-governing bodies in its government procurement proposal. At the same time, the United States issued a refutation and said that to promote the government's procurement of foreign products, it will be necessary to set some numerical targets. Thus, the results indicate a remarkable difference between the views of the Japanese and U.S. Governments.

However, in a series of economic consultations, the United States has attached particular importance to this issue [government procurement]. Because the [U.S.] Government maintains that the area of government procurement is different from other areas such as autos which involve the private sector, it is an area that will directly lead to the promotion of importing by Japan once an accord is reached between the two governments.

In this connection, it is expected that in future consultations which will continue until the new year, the Japanese delegation will be forced to make further concessions on such issues as government procurement. [end recording]

Fujii: Hosokawa, Clinton To Discuss Tax Reform

OW1211025293 Tokyo KYODO in English 0224 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—Finance Minister Hirohisa Fujii said Friday [12 November] that tax reform will be on the table when Prime Minister Morihiro Hosokawa meets with U.S. President Bill Clinton later this month in Seattle. "I believe Prime Minister Hosokawa will explain the outline of the report" to be submitted by the Tax Commission, Fujii told a regular press conference after the morning cabinet meeting.

The advisory tax panel is to present the report on November 19 when Hosokawa is scheduled to leave for Seattle to attend the Asia-Pacific Economic Cooperation summit. Hosokawa and Clinton will meet during the gathering.

Fujii brushed aside any further questions on the Hosokawa-Clinton talks over tax reform by repeating that the prime minister will explain the "outline." He also denied press reports that Clinton has sent a letter calling on Hosokawa for a 6 trillion yen income tax cut and a delay of a planned consumption tax hike to two to three years later.

There was no such letter sent from the United States, Fujii said, adding that Hosokawa did not mention it at all in the cabinet meeting or even personally.

His ministry has a "firm pipe" [as received] with the U.S. Treasury Department, and there seems to be no reason to confirm such news, Fujii said.

Concerning the delay in the tax panel's report from the originally scheduled November 16, Fujii rejected any political intention, while stressing that the panel asked for more time to discuss and review the report's wording.

Meanwhile, Fujii said the cabinet ministers agreed on his request to hold a special ministerial meeting to confirm the progress of public works. The meeting next Tuesday is intended to check already-contracted projects at related ministries and agencies in line with the government's target to contract out 75 percent of fiscal 1993 spending in the April-September period.

On a second supplementary budget plan, Fujii reiterated that it will not include any additional fiscal measures and the main purpose is to add the budget for the 6.2 trillion yen pump-priming package launched in September.

Hosokawa Denies Clinton Requested Specific Cuts

OW1211021593 Tokyo KYODO in English 0148 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—Prime Minister Morihiro Hosokawa on Friday [12 November] denied a press report that U.S. President Bill Clinton urged Japan by letter to implement an income tax cut of more than 6 trillion yen in order to bolster private consumption.

Hosokawa told reporters at the Diet building, "Although I received the letter, its contents were different from the reported demand." He said Clinton's letter asked Japan to step up efforts to help bring about the global economic recovery.

The premier denied that the letter carried any specific demand on the size of income tax cut planned by the Japanese Government.

Hosokawa was speaking in response to a question about the YOMIURI SHIMBUN's report that Clinton brushed aside a Japanese plan to enforce an income tax cut of 5 to 6 trillion yen as being insufficient to revive Japan's slumping consumer demand. The report also said Clinton urged Japan not to raise the consumption tax rate from the current 3 percent until Japan achieves an inflation-adjusted economic growth rate of 2 percent.

Earlier, U.S. Deputy Treasury Secretary Roger Altman told a congressional hearing that the planned raise in the Japanese consumption tax rate would offset any pump-priming effects from an income tax cut.

Meanwhile, Chief Cabinet Secretary Masayoshi Takemura joined Hosokawa in repudiating the reported U.S. demand for a greater size of income tax cut. Takemura told a news conference that it is customary for government leaders of different countries to refrain from presenting specific policy demands in letters exchanged between them.

Hosokawa said he received the letter from Clinton about a week ago.

Clinton did not refer to calls for Japan to replace its ban on rice imports with tariffs and the ongoing talks between the two countries on a trade framework, Hosokawa told reporters.

Meanwhile, Foreign Minister Tsutomu Hata told reporters that the letter said Japan and the U.S. should make efforts to lift the sagging world economy and urged the successful conclusion of a summit in Seattle next week of the Asia-Pacific Economic Cooperation (APEC) forum.

'Sources': Government To Buy Cray Supercomputer

OW1211131793 Tokyo KYODO in English 1256 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—The Japanese Government will choose a Cray Research Inc. supercomputer as its first procurement in the supplementary budget for the current fiscal year, government sources said Friday [12 November]. The Ministry of International Trade and Industry invited tenders for a supercomputer and Cray Research was the sole applicant for the offer at the deadline Friday.

The computer will be used at the information-processing center of the Industrial Science and Technology Agency. The government will officially announce the purchase November 22 after checking whether the computer meets the requirements shown in specifications presented by the center.

Most industry analysts have predicted Cray would win the contract as the information-processing center is already using a Cray Research supercomputer. The existing software programs will also run in the new Cray computer. In addition, there has been pressure from the United States for Japan to buy a U.S.-made supercomputer.

Four supercomputers were called for in the initial budget and the government bought all of them from domestic makers like NEC Corp. and Fujitsu Ltd.

The order will be Cray Research's first from the Japanese Government in two years.

The government will procure a total of 11 supercomputers worth 30 billion yen in the supplementary budget.

Talks Announced With U.S. on Population Growth

OW1211130493 Tokyo KYODO in English 1207 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—A joint Japan-U.S. working group will meet next week in Tokyo to discuss cooperation in tackling the problems of AIDS and rapid population growth in developing countries, Foreign Ministry officials said Friday [12 November].

The meetings next Monday and Tuesday are a follow-up to a bilateral trade framework which Japan and the United States agreed in July, the officials said.

Tokyo and Washington have agreed to cooperate on stepping up multilateral efforts on AIDS as well as measures to stem rapid global population growth.

The panel will confer on cooperation to prevent transmission of AIDS-causing Human Immunodeficiency Virus (HIV) in Asian and other developing countries by fostering AIDS-awareness education and ways to secure safe blood transfusions, they said.

Efforts to develop a vaccine against HIV will also be on the agenda, they said.

The team will further discuss population surveys and promoting insurance systems for mothers and children in the developing nations, they said.

Yokota Plaintiffs To Compromise in U.S. Suit

OW1211050593 Tokyo KYODO in English 0437 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—Plaintiffs in a third suit over noisy night flights at Yokota Air Base have decided to accept a compromise settlement proposed by the Tokyo high court, knowledgeable sources said Friday [12 November].

The government is scheduled to submit its reply for the compromise proposal on December 3 at a court meeting.

Under the compromise proposal, the government would in part press U.S. forces to halt night flights, except in the case of emergencies.

The government would also compensate area residents subjected to high levels of noise at the rate of 3,000 to 17,000 yen per month, calculated from the time the first suit was filed in July 1979 to the day a compromise is agreed on.

The compromise was proposed Monday by high court Judge Kiyoshi Uetani, who is presiding over the third noise pollution suit.

About 600 residents are demanding that the government ban night flights at the base and pay compensation for both past and future victimization.

Last February, the Supreme Court rejected demands in two previous suits for a ban on night flights and compensation for the future. The court's ruling said the base is being used by U.S. forces in accordance with the Japan-U.S. Security Treaty.

Negotiations between the two sides have been going on since June.

Talks Held With ROK, U.S. on DPRK Issue

OW1111054993 Tokyo KYODO in English 0530 GMT 11 Nov 93

[Text] Washington, Nov. 11 KYODO—Japan has been discussing, with the United States and South Korea, the possible imposition of sanctions against North Korea for its refusal to allow the International Atomic Energy Agency (IAEA) to inspect its nuclear facilities, Japanese diplomatic sources said Wednesday [10 November]. But the three nations also agreed that a diplomatic resolution to the issue should be attempted before sanctions are applied against the North, the sources said.

The U.S., for the time being, will stick to trying to solve the issue through diplomatic means, they said.

North Korea, despite repeated international calls, has refused to let the IAEA inspect its nuclear facilities, which are suspected of being utilized for the development of nuclear weapons.

Meanwhile, a high-ranking U.S. State Department official said the international community is unlikely to introduce sanctions against North Korea prior to the Asia-Pacific Economic Cooperation (APEC) forum talks which start next Wednesday in Seattle.

The IAEA and the U.S. will continue to try to persuade North Korea to accept the IAEA inspection, at least until the APEC meeting opens. Leaders of APEC member countries, including the U.S., Japan and South Korea, will attend the meeting to discuss cooperation in the Asia-Pacific region.

Dialogue With DPRK on Nuclear Issue 'Crucial'

OW1211064993 Tokyo KYODO in English 0629 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—Foreign Minister Tsutomu Hata expressed a cautious stance Friday [12 November] on economic sanctions against North Korea to force it to open suspected nuclear weapons development facilities to international inspection. "Applying economic sanctions alone is not a good method. Dialogue with North Korea is crucial," he told a meeting in Tokyo of editors in chief of members of Kyodo News Service.

Hata said Pyongyang might be tempted to take military action or adopt some other unpredictable violent course of action if the international community imposed economic sanctions.

He said North Korea, with scarce information about the outside world, might "erupt violently or initiate a reckless stampede in response to a certain development. If such a development occurred, it would bring about a tragedy not only for the North Korean people, but for the people in the Asia-Pacific region," he said.

Hata's comments follow press reports that U.S. Defense Secretary Les Aspin asked him during a visit to Tokyo earlier this month to halt annual banking and other remittances estimated at 600 million dollars from pro-Pyongyang Korean residents in Japan to North Korea.

Hata urged the U.S. to keep up persistent diplomatic talks with the administration of North Korean leader Kim Il-song to secure its compliance with calls to allow inspectors into a suspected nuclear complex in Yongbyon, 90 kilometers north of Pyongyang.

Hata also appealed to China to exert its influence on Pyongyang to persuade it to accept inspection of its suspected nuclear arms facilities by the International Atomic Energy Agency.

He said Japan would consider providing "humanitarian aid" to North Korea to help lift it out of its "economic difficulties" if it moved to accept international inspection.

Voicing reluctance to take any harsh action against North Korea, Hata referred to the forcible conscription of Koreans to work in wartime factories and indirectly to forcing women to work in military brothels before and during World War II.

Besides the nuclear inspections, he also expressed concern about reported efforts by Pyongyang to develop Nodong-2 ballistic missiles with "a considerable range." North Korea is reportedly preparing to test-fire an advanced version of the Nodong-1, which has a reported range of 1,000 kilometers, in the Iranian desert. The Nodong-2 reportedly has a longer range than the Nodong-1.

Hata also expressed Japan's readiness to become a permanent member of the United Nations Security Council.

On next week's Asia-Pacific Economic Cooperation (APEC) conference, Hata said Japan is willing to act as a mediator among the U.S. and Canada on one side and Asian nations on the other by narrowing differences of opinion. He said Japan could play a connecting role between North America and Asia.

Vice Foreign Minister Comments

OW1211082093 Tokyo KYODO in English 0802 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—Japan will carry out economic sanctions against North Korea for its alleged nuclear weapons development if the United Nations Security Council decides to impose them, Vice Foreign Minister Kunihiko Saito said Friday [12 November]. Japan strongly hopes to solve the problem through negotiations but the issue may be referred to the Security Council if all efforts to avoid sanctions fail, Saito said at the Japan National Press Club.

While predicting the council will not decide on sanctions right away, and instead is likely to consider weaker resolutions, Saito said if it does, "it is natural that Japan wholly implement the sanctions by taking all possible measures."

Saito said Japan hopes North Korea will change its position and accept inspections by the International Atomic Energy Agency (IAEA) as a result of negotiations with the United States.

Pyongyang announced in March that it would pull out of the Nuclear Nonproliferation Treaty while brushing aside IAEA demands for inspection of two sites suspected of developing nuclear weapons. It later suspended the decision during talks with the U.S.

On relations between Japan and the United States, Saito said they may get "extremely bad" if things go wrong and Japan must make greater efforts toward such issues as deregulation, economic stimulus measures and trade framework negotiations with the U.S.

He cited as reasons for the possible worsening of ties the "dry" and "result-oriented" stance toward Japan by the administration of U.S. President Bill Clinton and the small number of Japan experts in key U.S. Government posts. The Clinton administration's great expectations of Japan's new coalition government may also become a factor, Saito said, because U.S. disappointment will be as great if Japan cannot meet them.

Saito gave high marks to a visit to Japan by Russian President Boris Yeltsin last month and said a deputy vice ministerial-level meeting between Japan and Russia is scheduled for January.

Touching on security in the Asia Pacific region, Saito said it is too early to form an organization such as the North Atlantic Treaty Organization (NATO) in the region.

Hosokawa Plans To Meet PRC Leaders in U.S.

OW1111102093 Tokyo KYODO in English 0957 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Prime Minister Morihiro Hosokawa plans to hold separate talks with leaders of seven nations next week while attending a summit in Seattle of the Asia-Pacific Economic Cooperation forum, a senior Foreign Ministry official said Thursday [11 November].

Hosokawa plans to meet U.S. President Bill Clinton for about an hour and Chinese President Jiang Zemin for around 30 to 40 minutes, said the official who spoke on condition of anonymity.

He will also hold talks with Australian Prime Minister Paul Keating, Indonesian President Suharto, Singapore Prime Minister Goh Chok Tong, Philippine President Fidel Ramos and Thai Prime Minister Chuan Likphai, the official said.

Chinese Trainees' Disappearances Detailed

OW1011132193 Tokyo KYODO in English 1259 GMT 10 Nov 93

[Text] Kobe, Nov. 10 KYODO—The Hyogo Prefectural Government decided Wednesday [10 November] to send three Chinese trainees back home before originally scheduled because several fellow trainees from Hainan Province have gone into hiding while under the current fiscal 1993 training program, officials said.

In the latest case, a 25-year-old woman from the south Chinese province, who was receiving training at a sewing factory in Kanzaki, has been missing since she left her dormitory on October 31, they said.

Hyogo Prefecture, in western Japan, started the program in fiscal 1991 to receive trainees both from Hainan and Guangdong Provinces to help them learn basic industrial skills. But previously a total of 13 trainees from Hainan Province had disappeared, though two of them were found later, prefectural government officials said.

The continued disappearance of Hainan trainees also this year led the local government to decided this fall to stop receiving trainees from the province from the next fiscal year.

The latest case of disappearance last month prompted the decision to send the remaining three from Hainan back home on Thursday before their one-year training program finishes, the officials said.

Consulates Opened in Vladivostok, Khabarovsk

OW1011094793 Tokyo KYODO in English 0831 GMT 10 Nov 93

[Text] Tokyo, Nov. 10 KYODO—Japan will open consulates general in Vladivostok and Khabarovsk on Thursday [11 November] based on an agreement reached with Russia during Russian President Boris Yeltsin's visit to Japan in October, the Foreign Ministry said Wednesday.

The consulate general in Nakhodka will be closed as of Thursday, the ministry said.

'Emergency' Aid to Russian-Held Islands Noted

OW1211102593 Tokyo KYODO in English 0934 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—Japan will provide emergency humanitarian assistance worth a total of 106 million yen to residents of three Russian-held islands off Japan's northernmost island of Hokkaido, the Foreign Ministry said Friday [12 November]. The goods, consisting of food, medical supplies and vehicles, will leave Kushiro Port on Sunday for the three islands—Kunashiri, Etorofu and Shikotan, the ministry said.

The goods include about 78 tons of food such as milk that can be preserved under normal temperature, vegetable oil, 4.2 tons of medical supplies, and nine vehicles including small-sized trucks and a microbus, it said.

In addition, two fire engines from Hokkaido's Fire Department Association will be transported to Etorofu and Shikotan, it said.

The items make up the last of the humanitarian aid scheduled this year, the ministry said. Japan has so far extended 263 million yen in aid to the islands.

The former Soviet Army occupied the three islands and the Habomai group of islands at the end of World War II. The Habomai group is uninhabited. The bilateral territorial dispute has prevented the two countries from fully normalizing relations.

Mozambique Peacekeeping Operations Extended

OW1211013693 Tokyo KYODO in English 0041 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—The government decided at a cabinet meeting Friday [12 November] to extend the stay of Japanese peacekeepers in Mozambique until July 1994, officials said after the meeting. The government took the decision following the U.N. Security Council's resolution earlier this month to prolong the peacekeeping mission of the 6,500-strong operation in Mozambique until next April.

Japan sent 53 Self-Defense Forces (SDF) personnel to Mozambique in May to help restore peace under the U.N. initiative. The government had originally planned to conclude the Japanese peacekeepers' operation on November 31.

On Friday, the cabinet approved the plan to extend the stay of the Japanese peacekeepers for eight months beyond the original deadline.

The government also approved the dispatch of two SDF C-130 transport aircraft and a 50-member air Self-Defense Force unit to the southeast African country, the officials said.

Japan will keep the SDF unit there three months longer than the planned U.N. withdrawal date as the contingent could be delayed because it is in charge of transportation.

Mozambique's civil war, which erupted in 1975, has already killed up to one million people, created another one million refugees and destroyed the nation's economy.

Report Assesses Peacekeeping Operations

OW1211020893 Tokyo KYODO in English 0137 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—The Japanese Government calls for increased safety measures for Japanese troops serving on future United Nations peacekeeping missions in a review of Japan's recently-concluded dispatch of defense personnel to Cambodia.

The government approved the report at a cabinet meeting Friday [12 November]. The report is to be submitted to the Diet on Friday afternoon, officials said.

The report expressed "deep regret" that a Japanese civilian police officer and a young U.N. volunteer died during the year-long U.N. mission to Cambodia, Japan's first dispatch of ground troops overseas since the end of World War II.

The report cited a need for improved safety equipment, safety training before dispatch, and the publication of a manual for handling critical situations as "necessary measures" for peacekeepers. It also lauded Japan's personnel contribution to the international community through the peacekeeping operation in Cambodia, and it said the Japanese people showed support and understanding for Japan's role in the U.N. peace initiative.

Japan sent about 1,300 peacekeepers to Cambodia, including military observers and civilian police as well as 1,200 engineering troops, after it enacted the U.N. Peacekeeping Cooperation Law in June of last year.

Slovak Foreign Minister Discusses Investment

LD1011230293 Bratislava STV 1 Television Network in Slovak 1830 GMT 10 Nov 93

[Text] Today is the second day of the official visit of the Slovak Minister of Foreign Affairs Jozef Moravcik to

Japan. He started it in talks with the Japanese Minister of International Trade and Industry Hiroshi Kumagai whom he asked for help in modernization of the infrastructure in Slovakia.

Apart from this, Jozef Moravcik also met his counterpart Tsutomu Hata, chairmen of the lower and upper houses of the Japanese parliament with whom he had talks about questions of tourist travel, opening a Japanese representation in Bratislava, about speeding up the entry of the Japanese capital into our economy, about interparliamentary cooperation and other significant questions concerning the two sides.

Promised Economic Help, Credits

AU1111111193 Prague CTK in English 2126 GMT 10 Nov 93

[Text] Tokyo, Nov 10 (CTK)—While meeting with Japanese Minister of International Trade and Industry Hiroshimo Kumagai today, Slovak Foreign Minister Jozef Moravcik asked for Japan's help to modernize infrastructure in Slovakia.

Moravcik who arrived for a four-day official visit to Japan Tuesday [9 November], also met with his Japanese counterpart Tsutomu Hata today. During their talks, the two ministers exchanged official notes on an inter-governmental agreement under which the Japanese Government will provide some 440,000 USD for musical instruments and audio equipment for the Slovak Philharmonic Orchestra.

While discussing bilateral relations, special attention was paid to promoting economic relations and tourism as well as exchanging scientific and linguistic experts. The possibility of opening a Japanese representative office in Bratislava was also discussed.

In a meeting with representatives of the Fund for Economic Cooperation with Foreign Countries (OECF), Moravcik was assured of the fund's willingness to provide Slovakia with credit on favorable conditions after proposed projects are assessed.

With Vice-Governor of the Japanese Eximbank Akiro Kano, Moravcik discussed the conditions of providing a $33 million credit to the Slovak National Bank.

He also met with representatives of the Japanese Parliament, whom he informed about priorities of Slovak foreign policy and about the economic situation in Slovakia. He voiced the hope that Japan would increase aid to Slovakia especially in those fields where the shortage of domestic capital is evident.

Regulated Rice Supply Situation Reported

OW1011140693 Tokyo KYODO in English 1340 GMT 10 Nov 93

[Text] Tokyo, Nov. 10 KYODO—The amount of rice harvested in 1993 and distributed by the government or through the government-approved channel is likely to fall short of 4 million tons, far below the original target of 6.6 million tons, agricultural sources said Wednesday [10 November].

The sources said the poor harvest, due to bad weather during the summer, makes it certain that Japan will import more than 2 million tons to make up for the shortage.

Some farmers are selling rice on the black market or holding back delivery in expectation of higher prices, the sources said.

Collection of rice to be sold by the government or through the government-monitored channel is about three weeks behind schedule. There were 2.8 million tons harvested and shipped by the end of October, about 40 percent below the normal level, the sources said.

The Ministry of Agriculture, Forestry and Fisheries has said rice crop conditions as of October 15 were rated an "extremely poor" 75 on an index that sets the average annual harvest at 100.

Each year, Japan consumes about 10 million tons of rice, some of which is distributed illegally outside the government control.

Food Agency To Import Additional Rice

OW1111080193 Tokyo KYODO in English 0746 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Japan will import 900,000 tons of rice for everyday consumption in a bid to make up the deep shortfall in domestic production, the Food Agency said Thursday [11 November]. The agency said the foreign rice will arrive in Japan by the end of next March.

The 900,000 tons of rice will come on top of 200,000 tons of rice, all for processing, which the government announced it would import by the end of the year.

Japan's rice harvest this year proved the worst in the postwar period as a result of the wet and cold summer. The latest announced imports, however, still fall short of the estimated two million tons needed in supplies to cover the shortage over the next year. The nation consumes 10 million tons of the staple grain every year.

Agency sources said the imported rice may be blended with domestically produced rice to avoid a buying rush on the latter, which Japanese regard as tastier.

Hosokawa Discusses Rice Self-Sufficiency

OW1211103393 Tokyo KYODO in English 1015 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—Prime Minister Morihiro Hosokawa said Friday [12 November] he will stress Japan's need to retain self-sufficiency in rice at his upcoming meeting with U.S. President Bill Clinton.

Hosokawa made the remarks in response to queries at a plenary session of the House of Representatives on the government's stance toward calls to liberalize Japan's rice market. The prime minister said he would approach the issue keeping in mind the aim of past Diet resolutions on keeping the country's rice market closed to imports and relying on domestic production for the staple food.

Hosokawa distanced himself from recent remarks by Shinseito co-leader Ichiro Ozawa that the rice market could be opened and self-sufficiency maintained if rice farmers are given income support. He characterized the remarks as Ozawa's personal view.

Responding to calls by the opposition Liberal Democratic Party and Japanese Communist Party for a new Diet resolution on rice, Foreign Minister Tsutomu Hata suggested there was no need. Hata said the government is already paying heed to the three resolutions already in place as it conducts negotiations related to the Uruguay Round of multilateral trade negotiations.

The Diet passed resolutions against foreign access to Japan's rice market in 1980, 1984 and 1988.

Japan's rice import ban and differences over farm trade between the United States and the European Community (EC) are regarded as major obstacles to a successful conclusion of the seven-year-old round by the December 15 deadline. Farm talks between the U.S. and the EC, however, have recently made progress.

Ministry To Offer Rice Delivery Subsidy

OW1211120193 Tokyo KYODO in English 1147 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—The Agriculture Ministry decided Friday [12 November] to provide subsidies to agricultural cooperatives to promote rice delivery and distribution, ministry officials said. The officials said the ministry was concerned over slow rice deliveries resulting from this year's poor harvest, the postwar worst.

The volume of rice collected by the government by early November stood at a low three million tons, they said.

Under the ministry plan, agricultural cooperatives will receive a subsidy of 20 yen per 60 kilograms of rice delivered to the government. Subsidies to individual farmers will be more than doubled to 400 yen from 150 yen for 60 kilograms of glutinous rice and be doubled to 800 yen from 400 yen for rice for processing, the officials said.

The subsidy period will also be extended for one month, they said.

Agricultural cooperatives cooperating in distributing rice to be marketed directly by farmers through a government-controlled sales channel will also be eligible for subsidies, the officials said.

Officials, EC 'at Odds' on Environment Policy

OW1211122993 Tokyo KYODO in English 1202 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—Senior officials from Japan and the European Community (EC) appeared to be at odds Friday [12 November] over whether efforts to protect the environment enhance or impede economic recovery. Ioannis Paleokrassas, the EC's environment commissioner, told a business seminar that environmental protection should be seen as a business opportunity, rather than an obstacle to economic growth.

In contrast, Japan's parliamentary Vice Foreign Minister Shozo Azuma expressed concern that environmental regulations could interfere with high levels of economic production and free trade. "It is important that Japan and the EC, as two economies with high standards of living, maintain high levels of production while cooperating in environmental fields," Azuma said.

"The burden (of environmental protection) must not be allowed to be used as an excuse for creating trade barriers," he said.

Paleokrassas told the one-day seminar cosponsored by Japan and the EC that "we are convinced that economic recovery and environmental protection are complementary, mutually reinforcing objectives."

Taxes aimed at reducing emissions of carbon dioxide and improving the environment are "essential if the community is to emerge from the present (economic) crisis," he told the seminar, conducted at the Foreign Ministry. "What is needed, particularly now, is a new development model based on the integration of the environment into our economic thinking, as opposed to the existing environment-versus-the-economy misconception," said Paleokrassas.

Paleokrassas said an EC Commission plan for economic recovery and job creation now being prepared will include new job opportunities in the area of the environment.

Industrialists and environmentalists addressing the symposium clashed over whether companies should be required to go public with data on their environmental performance.

Tetsuro Fukushima, head of Hitachi Ltd's environment policy office, called for voluntary in-house eco-audits, or assessments of how much a company is polluting, and the effectiveness of its countermeasures.

Fukushima expressed concern that audits could be used as an excuse to block trade, and that audit standards might lose sight of the goal of protecting the environment.

Klaus Kohlhase, safety and environment officer for British Petroleum, said eco-audits might become mandatory depending on the industry.

"If we are picking this up as a voluntary action in some fashion or another it will never be mandated. But governments could put pressure on this," he said.

John Hontelez, chairman of Friends of the Earth International based in the Netherlands, said in an interview that companies should be required to release important information to prevent them from presenting only the good news on their environmental performance.

Coalition Fails To Discuss Reform With LDP

OW1211141593 Tokyo KYODO in English 1358 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—The ruling coalition failed to discuss with the Liberal Democratic Party (LDP) on Friday [12 November] how to strike a deal on the final shape of political reform because of a dispute over the timetable for parliamentary debate. The LDP objected to a decision by Hajime Ishii, chairman of the House of Representatives special committee on political reform, to conclude panel debate Monday, a move that would open the way for a vote on each side's political reform packages early next week.

The LDP demanded the decision be retracted but the coalition would not budge, saying lower house committee deliberations have already run their course.

The negotiations will continue Monday morning on bridging the gap in key points of each other's reform package, including how to change the system for lower house elections, officials of both sides said.

After the talks Friday, LDP Secretary General Yoshiro Mori said he told the coalition the party is ready to arrange a one-on-one meeting between Prime Minister Morihiro Hosokawa and LDP President Yohei Kono as early as Monday evening to reach a compromise.

Initially, the coalition intended to propose Friday a Hosokawa-Kono meeting by Sunday with major concessions on the balance of single-seat constituencies and proportional representation in the lower house.

Komeito Secretary General Yuichi Ichikawa, who represents the coalition, told a news conference that the ruling alliance and the LDP agreed to hold a session of the lower house panel on political reform Monday afternoon but added they did not decide on whether to put their packages to a vote at the time.

The government bills call for the replacement of multi-seat constituencies for the lower house with a system combining 250 directly elected seats, one per constituency, with 250 seats elected through proportional representation.

The LDP's counterproposals seek a 471-seat system combining 300 single-seat constituencies and 171 seats distributed under proportional representation.

The coalition is planning to increase the number of single-seat districts to around 285 from the originally proposed 250 and reduce seats for proportional representation to compromise with the LDP, informed sources said.

Representatives of the coalition parties and Hosokawa will decide on a final plan to revise the share of lower house constituencies after the premier meets Social Democratic Party (SDP) Chairman Tomiichi Murayama on Sunday, coalition officials said.

The SDP, the largest of the seven coalition partners, maintains that increasing the number of single-seat constituencies in the lower house would threaten the existence of the party. But Murayama indicated Thursday his party will soften its stance against any revision of the key points in the government measures so as to keep the unity of the coalition intact.

Hosokawa has indicated he will step down if he cannot get the political reform bills on to the statute books by the end of the year.

To achieve his pledge the coalition must have the bills clear the lower house by around November 19 at the latest to secure sufficient time for deliberations in the House of Councillors. The current extraordinary Diet session ends December 15 but can be extended for a certain period.

Political reform has topped the agenda in Japan over the past five years following an array of scandals involving LDP politicians. Hosokawa's two immediate predecessors, Kiichi Miyazawa and Toshiki Kaifu, lost power after failing to enact reform bills.

Ozawa Threatens To Widen Ban on Media Groups

OW1111100593 Tokyo KYODO in English 0935 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Ichiro Ozawa's row with journalists remained deadlocked Thursday [11 November], with the poweful politician threatening to exclude 16 major media organizations from his press conferences or even not hold them at all.

Reporters of the organizations, including national newspapers and television networks, have been negotiating with Ozawa to end his ban of journalists of two major dailies from press meetings.

Ozawa, co-leader of ruling coalition party Shinseito (Japan Renewal Party), told them there is no room to solve the problem unless they compromise. As a result, the journalists said they will end the talks.

An Ozawa spokesman said there is a possibility that "either all 16 organizations will be excluded from his press conferences or he will stop holding them all together."

Calling recent coverage by the NIHON KEIZAI SHIMBUN and the SANKEI SHIMBUN as inaccurate, Ozawa late last month began excluding their reporters from his news conferences.

Rejecting demands by journalists from other news companies to lift the ban, Ozawa said October 26 that "press conferences are my service for you, not my duty."

"You do not have to attend the conferences if you write things that are different from the facts," he said.

The reporters argued the stories run by the two dailies were accurate. They said they felt uncomfortable that Ozawa, regarded as one of the country's most powerful political figures, views his press conferences as a service for the press rather than his duty as a politician to the public.

Even if reports turn out to be incorrect, that is insufficient reason to prohibit reporters from news conferences, they said.

Ozawa is a former Liberal Democratic Party (LDP) secretary general who bolted the LDP with dozens of lawmakers to form Shinseito in June. He was instrumental in ousting the LDP from power after the July general election. He scrapped secretive get-togethers with reporters monitoring his daily activities and has only met the press at news conferences open to all media since August.

Prosecutors Make More Arrests for Bribery

OW1111064993 Tokyo KYODO in English 0347 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Prosecutors arrested Ryoei Saito, the de facto owner of Daishowa Paper Mfg. Co., on Thursday [11 November] on suspicion of bribing the former governor of Miyagi Prefecture.

Prosecutors also arrested Taira Kiyosawa, vice president of the firm, and rearrested former Miyagi Gov. Shuntaro Honma, who is already under arrest awaiting trial on another bribery charge.

Investigators raided the home of Saito, the 77-year-old honorary chairman of Japan's third-largest paper maker, and the firm's head office.

The Tokyo District Public Prosecutors Office is questioning Saito, who is also a well-known art collector, about the suspected bribe of 100 million yen paid in 1991 to Honma, who was governor at the time, sources close to the prosecutors said.

The money was given to Honma at his home in Sendai in December 1991 by Mitsuo Moriya, a businessman and close associate of the governor, and is believed to have been in payment to seek Honma's favorable treatment of golf course and housing projects carried out by two Daishowa subsidiaries, the sources said.

The two subsidiaries, Daishowa Greenport Development Co. and Daishowa Ashitaka Co., had applied for permission for the projects to build houses and a golf course in Natori, Miyagi Prefecture, the sources said. Permission was granted although the projects initially violated prefectural regulations.

Prosecutors arrested Honma, 53, in late September. He was indicted October 18 on charges of taking a 20 million yen bribe from leading contractor Taisei Corp. in connection with a prefectural project for construction of a cancer center.

Honma, who was elected governor for the first time in 1989, resigned in early October while he was in his second four-year term.

Firm President Denies Corporate Bribery

OW1111130993 Tokyo KYODO in English 1231 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Daishowa Paper Manufacturing Co. denied Thursday [11 November] any involvement in the payment of an alleged 100 million yen bribe by its de facto owner to the then governor of Miyagi Prefecture in 1991.

Kiminori Saito, 52, president of Daishowa and the eldest son of the suspect, Ryoei Saito, said at a press conference his father "took the money out his own pocket, so there is no way the company could have known about it."

The younger Saito read out a statement calling his father's arrest "extremely regrettable" and saying the company wants to await the results of an investigation.

Earlier in the day, prosecutors arrested Ryoei Saito, 77, honorary chairman of the country's No. 3 paper maker, on suspicion of sending the bribe to then Miyagi Governor Shuntaro Honma in December 1991 for favorable treatment in golf course and housing projects.

Prosecutors arrested Taira Kiyosawa, 65, Daishowa's vice chairman, on suspicion of being Saito's accomplice. They also arrested Honma, 53, and businessman Mitsuo Moriya, 65, as his suspected accomplice. Both Honma and Moriya have already been indicted on separate bribery charges.

Honma resigned as governor soon after he was arrested in late September for allegedly taking a 20 million yen bribe from Taisei Corp., one of the country's largest construction companies.

Ozawa Says 'Reformers' Always Criticized

OW1111134493 Tokyo KYODO in English 1303 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Shinseito leader Ichiro Ozawa said Thursday [11 November] that historically reformers are always censured, implying his indifference to criticism over his receipt of 5 million yen from a major contractor and exclusion of reporters from two daily newspapers from his press briefings.

Ozawa, addressing a Tokyo meeting to promote grassroot exchanges between Japan and the United States, said, "It is historically common that reformers of the times are always apt to be the target of criticism and slander."

As the de facto head of Shinseito (Japan Renewal Party), one of the seven ruling coalition parties, Ozawa was instrumental in pushing Prime Minister Morihiro Hosokawa to power last August and is regarded as one of the most influential politicians in the coalition.

He and Foreign Minister Tsutomu Hata bolted the then governing Liberal Democratic Party (LDP) in June and formed Shinseito. The two men have advocated a sweeping reform of the country's electoral system which they say is the root cause of a series of money scandals in Japan's political world.

At a news conference Monday, Ozawa said he received the 5 million yen as a political donation from Kajima Corp., whose officials have been arrested on suspicion of bribing a governor, but he denied any wrongdoing himself.

Ozawa has also refused to have reporters from the NIHON KEIZAI SHIMBUN and SANKEI SHIMBUN attend his press conferences. He said the two dailies ran incorrect stories on his intentions regarding political reform without confirming with him or his office.

SDPJ Drops Demand To Summon Ozawa to Diet

OW1111113293 Tokyo KYODO in English 1102 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—The Social Democratic Party (SDP) dropped a demand Thursday [11 November] to summon Shinseito leader Ichiro Ozawa to the Diet to testify about a 5 million yen donation he accepted from leading contractor Kajima Corp. last December, coalition sources said.

The SDP, the largest among the seven parties in the ruling coalition, proposed Wednesday to summon Ozawa as a sworn witness as part of the Diet's efforts to look into a widening scandal involving donations to politicians from major construction companies. But at a meeting of representatives of ruling parties, the SDP withdrew the demand, they said.

The representatives agreed not to take up a matter that may lead to division in the seven-party coalition, the sources said.

They agreed to let it lie for the moment because it might hamper efforts to pass the government's package on political reforms through the Diet, they said.

At a news conference Monday, Ozawa said he received the 5 million yen as a political donation from Kajima but denied any wrongdoing.

Ozawa, the de facto head of Shinseito (Japan Renewal Party), was instrumental in pushing Prime Minister Morihiro Hosokawa to power last August and is regarded as one of the most influential politicians in the coalition.

At Thursday's meeting, several ruling party officials, especially from Shinseito and Komeito, reproached the SDP for making the summons demand, the coalition sources said.

Liberal Democratic Party (LDP) President Yohei Kono told a party meeting Thursday that the Diet must discuss the suspicion surrounding Ozawa ahead of other issues, party officials said.

Another opposition party, the Japanese Communist Party, has also called for his summoning.

Foreign Trade Figure Urges 'Large' Tax Cut

OW1111063993 Tokyo KYODO in English 0432 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—The chief of Japan's trade industry appealed on Thursday [11 November] to government economic planners for a large cut in income taxes as a way to buoy the sluggish economy. Koichiro Ejiri, chairman of the Japan Foreign Trade Council, told officials at the Economic Planning Agency that the severity of the current recession requires "bold steps" to tackle it.

Ejiri, who is also chairman of Mitsui and Co., called on the government to exempt food from the consumption tax in its review of the tax system.

The council groups major Japanese trading houses.

Commission Delays Report on Tax System Overhaul

OW1111064093 Tokyo KYODO in English 0428 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—The Tax Commission, an advisory body to the prime minister, decided Thursday [11 November] it will publish its recommendations on a planned tax system overhaul on November 19, instead of Tuesday as originally scheduled, officials said. The delay stems from demands for a review of the wording of a set of draft proposals unveiled Tuesday, they said.

The draft report was criticized by many commission members, who said it contained language that was bureaucratic and difficult to understand.

Construction Ministry To Seek Land Tax Cuts

OW1211083393 Tokyo KYODO in English 0752 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—The Construction Ministry will ask the government to lower taxes levied on earnings from land transactions, ministry sources said Friday [12 November].

The sources said the request will be made to the Finance Ministry and the government's tax commission, which currently is reviewing the existing tax system.

Under the existing law, individuals who sell land held for more than five years are required to pay 30 percent of earnings in income tax and an additional 9.0 percent in inhabitants tax.

The sources said the ministry plans to ask that the tax rates be lowered to 25 percent and 7-8 percent, respectively.

The tax commission, in its report to be submitted to the government next week, is expected to propose lowering the maximum tax rates on earnings from land dealings to a combined 50 percent from the present 50 percent income tax plus 15 percent of inhabitants tax, the sources said.

The ministry considers that if the maximum income tax rate will be lowered, the taxes on land transactions should also be reduced accordingly, they said.

Panel Started To Study Corporate Share-Buying

OW1111110493 Tokyo KYODO in English 1040 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—A new panel will study easing Japan's ban on companies buying their own shares while preventing such abuses as insider trading, the Finance Ministry said Thursday [11 November].

The subcommittee on fair securities trading, under the ministry's Securities and Exchange Council, will study foreign practices and may examine how the U.S. Securities and Exchange Commission is used against stock manipulation, a ministry official told reporters.

The study was ordered by the government's April economic-stimulus package. If changes to the Securities and Exchange Law are needed, the new committee will propose revisions to the next regular Diet session, the official said.

The committee, headed by Ichiro Kawamoto, a professor emeritus at Kobe University, will work in conjunction with the Justice Ministry's Legislative Council, which is examining such deregulation from the standpoint of the commercial law, hg said.

The new committee will meet for the first time Monday and once or twice a month after that, the official said.

Businesses and the securities industry have called for easing the ban to help revitalize the slumping stock market. Such an easing would allow companies to raise dividends to ordinary shareholders, fend off takeovers and allow them to ease cross-shareholding with other companies.

Companies buying their own shares were credited with helping cushion the Effect of the October 1987stock market crash on Wall Street.

BOJ Reports 'Slow' Oct Lending Growth Rate

OW1111131893 Tokyo KYODO in English 1224 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—The balance of loans extended by Japanese private banks in October grew a marginal 0.8 percent from a year earlier, the smallest yearly rise matching that of August, the Bank of Japan [BOJ] reported Thursday [11 November].

The combined balance of loans at 11 major commercial banks, known as city banks in Japan, 64 regional banks, 65 second-tier regional banks, three long-term credit banks and seven trust banks stood at 520.1 trillion yen, the central bank said.

Bank of Japan officials attributed the slow growth chiefly to still sluggish business demand for capital investment and operating funds amid the prolonged business slump.

The officials said the sluggish pace of lending will continue for some time to come.

The combined balance of loans extended by the seven trust banks fell 0.4 percent for the first year-to-year fall in 13 months. The trust banks mainly extend long-term loans whose interest rates move in tandem with market rates.

As for deposits, the combined balance of real deposits and certificates of deposit (CDs) at the 11 city banks, 64 regional banks and 65 second-tier regional banks stood at 401.71 trillion yen, up 1.4 percent from October 1992.

The relatively steady growth stemmed in large part from active issuance of CDs by the city banks prompted by lower market interest rates, the central bank officials said.

'No Immediate Plan' To Stimulate Stocks

OW1111095593 Tokyo KYODO in English 0907 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Vice Finance Minister Jiro Saito repeated Thursday [11 November] that the Finance Ministry has no immediate plan to infuse public funds into the stock market to help it out of the prolonged slump.

Stock prices should be basically decided by the market's supply- demand relations, Saito told a regular press conference.

Saito was commenting on the 225-issue Nikkei stock average's recent renewed slip below 19,000, despite the long-awaited listing of East Japan Railway Co. shares.

It is no use getting "panicky" because of short-term developments in the market, Saito said. He denied that public funds had been used for a joint entity set up by financial institutions to help liquidate their bad loans. He had never heard about such a plan, he said.

Cooperative Credit Purchasing Co. was established by about 150 financial institutions in January and began purchasing nonperforming loans backed by real estate in March.

Saito said a second supplementary budget for fiscal 1993 will probably be drawn up in late November.

Recession 'Closing in on the Worst Record'

OW1211115993 Tokyo KYODO in English 1123 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—The recession has been under way now for 31 straight months, and if it continues until next May it will surpass the postwar slump record of 36 months registered amid the oil crisis of the early 1980s, the Economic Planning Agency (EPA) said Friday [12 November].

The agency formally announced that April 1991 was the peak of the latest economic boom—now called the "bubble" economy led by speculative investment in securities and real estate—which started in December 1986. Thus, the latest economic boom continued for 53 months, short of the record 57-month "izanagi" boom from November 1965 to July 1970.

With the agency recognizing formally that the current recession is closing in on the worst record, economists said there will be increased calls for further government pump-priming measures. They said that if the economy started declining in May 1991, that means the government was 10 months late in recognizing the slump because it first mentioned the slowdown in its monthly economic report in February 1992.

The government then decided on a series of economic stimulus programs, centering on more implementation of public works, from March 1992. Such a slow move invited criticism as the government was making the situation from bad to worse, the economists added.

According to the EPA, the peak of the latest boom was decided by the agency's special committee set in September for the matter.

The committee determined the peak on the basis of the "historical diffusion index"—an economic index which the agency monitors month by month to diagnose the economic climate. The index started to decline below the "boom-or-bust" 50 percent mark from May 1991.

Another factor was a sharp drop in the real growth rate of Japan's gross national product (GNP) to an annualized 2.3 percent in the April-June quarter of 1991 from 6.5 percent registered in the preceding three-month period, the agency officials said.

They said the committee usually announces both the peak and the bottom of an economic cycle at the same time. But it announced only the peak this time, because the current slowdown has become unusually long and it is difficult to foresee the bottom at present, they added.

80% of Farm Relief Funds Allotted to North

OW1011120293 Tokyo KYODO in English 1109 GMT 10 Nov 93

[Text] Tokyo, Nov. 10 KYODO—The Farm Ministry has decided to allot 80 percent of natural disaster relief funds to farmers in areas in northern Japan hardest hit by this year's harsh weather, ministry officials said Wednesday [10 November]. Under a law for relief of natural disasters, 300 billion yen will be offered in low interest loans to support farming households hurt by a cool summer and unseasonal downpours, the officials said.

Of the total, the Agriculture, Forestry and Fisheries Ministry has decided on regional allocations of 251.5 billion yen.

The officials said 203 billion yen, or 80.7 percent, of the initial allocations, will be given to Hokkaido and the Tohoku region, where crops were heavily damaged.

The remainder will be made available to farmers in other disaster-hit areas, the officials said.

Ministry Reports Apr-Sep Shipbuilding Orders

OW1111083993 Tokyo KYODO in English 0811 GMT 11 Nov 93

[Text] Tokyo, Nov. 11 KYODO—Orders for ships placed with Japanese shipbuilders amounted to 2,696,000 gross tons in the first half of fiscal 1993, up 7 percent from a year earlier, the Transport Ministry reported Thursday [11 November]. The April-September orders numbered 82 ships.

The ministry said the increase is not sufficient for Japan to maintain top place in the global shipbuilding market.

With the country's share in the first six months of 1993 falling to 26 percent from the previous year's 40 percent, Japan was replaced by South Korea as the largest shipbuilder. But the ministry expects that likely recovery in second-half orders may help Japan regain the top slot, which the nation has held since 1956.

Lowering of Postal Savings Rates Announced

OW1211135893 Tokyo KYODO in English 1344 GMT 12 Nov 93

[Text] Tokyo, Nov. 12 KYODO—The Posts and Telecommunications Ministry said Friday [12 November] it will lower the interest rates on fixed-amount and new time deposit savings from Monday.

The rates on savings with deposit periods of six months and more will be trimmed by 0.05-0.20 percentage point. For deposits with a term of three years and more, the interest rate will drop to 2.15 percent per annum from the current 2.35 percent.

The ministry also decided to lower the rates of new time deposit savings by 0.05-0.20 point.

MITI To Liberalize Gas Rates for Industry

OW0911153593 Tokyo KYODO in English 1341 GMT 9 Nov 93

[Text] Tokyo, Nov. 9 KYODO—The Ministry of International Trade and Industry plans to liberalize city gas supply rates for its major customers as early as next spring in line with the government's deregulation program, sources said Tuesday [9 November]. A private advisory panel submitted to Prime Minister Morihiro Hosokawa Monday an interim report calling for wide-ranging deregulation to restructure the domestic economy.

The sources said the ministry intends to submit a bill to revise the gas utility industry law to the ordinary Diet session opening in December to pave the way for the planned rate liberalization. Under the ministry plan, gas supply rates will be negotiated between suppliers and users, they said.

North Korea

DPRK-U.S. Talks Delegation Head Issues Statement

Radio Cites Kang Sok-chu Statement

SK1111234593 Pyongyang Korean Central Broadcasting Network in Korean 2108 GMT 11 Nov 93

[Text] First Vice Foreign Minister Kang Sok-chu, head of the DPRK side's delegation to the DPRK-U.S. talks, issued a press statement [tamhwa] yesterday [11 November] in connection with the fact that insidious forces had recently made demands or spread public opinions that becloud prospects for the solution of the nuclear issue on the Korean peninsula.

A press statement by First Vice Foreign Minister Kang Sok-chu, head of the DPRK side's delegation to the DPRK-U.S. talks, says:

Very ominous [simsangchi annun] indications have recently appeared that becloud prospects for the solution of the nuclear issue on the Korean peninsula. Some people have dramatized the situation, saying that the continuity of the safeguards of our country's nuclear activities is about to be broken and insisting that the so-called UN sanctions be imposed unless we accept the full inspections of the International Atomic Energy Agency [IAEA]. What cannot be overlooked in particular is the fact that to support this, they have concealed the essence of the nuclear issue on the Korean peninsula, distorted the situation as if we are playing hide-and-seek to develop nuclear weapons, and insisted, incorrectly, that we are using the nuclear issue as a bargaining chip to fulfill any selfish purpose.

Considering the seriousness of the political attempt by those insidious forces, I think it is necessary for me to make clear the truth of the situation and our principled stand for the solution of the nuclear issue.

As has already been known, the DPRK and the United States released a joint statement on the agreements on the principled problems for the solution of the nuclear issue reached through discussions and have held talks based on the agreements. The DPRK-U.S. joint statement says that the two sides agreed to stop resorting to nuclear threats, respect each other's sovereignty, and ensure the fair application of full safeguards; confirmed that U.S. support for Korea's peaceful reunification is a basic principle in resolving the nuclear issue; and clearly specified that the DPRK and the United States [mihapchungguk] are parties concerned that have a major responsibility for resolving this issue and the right to resolve this issue.

Accordingly, in the entire course of the talks so far, we have taken practical measures to resolve the nuclear issue and worked faithfully. As soon as the DPRK-U.S. joint statement had been released, we unilaterally suspended, on a temporary basis, the effectuation of the declaration on the withdrawal from the Nuclear Nonproliferation Treaty [NPT] and resumed the negotiations with the IAEA and North-South dialogue. Even under such special circumstances, to fulfill our promise to prove the transparency of our nuclear activities, we completely froze the movement [yudong] of nuclear materials in the DPRK territory and allowed inspections designed to ensure the continuity of the safeguards of the nuclear materials. In particular, to fundamentally eliminate the so-called suspicions of our nuclear development, we made a bold decision to replace our existing graphite-moderated reactor system with the light-water moderated reactor system even to sacrifice the self-reliance of our nuclear energy industry.

However, the U.S. side made no practical response to all of these sincere efforts, and the recent situation has been developed in a completely opposite direction. This is due to the insincere attitude of the U.S. side, a dialogue partner, toward the talks. Contrary to the principles agreed on in the talks, U.S. officials successively make remarks threatening us and being hostile to us and openly showed indications that they would continue the Team Spirit joint military exercise, a nuclear war exercise against us.

Moreover, by presenting unreasonable preconditions, they deadlocked the third stage of DPRK-U.S. talks, which were scheduled to be held in two months [after the second stage of talks], and, rather, took the lead in having a resolution—which passes the blame onto us—adopted at an IAEA general meeting and the UN General Assembly.

All of these facts show that for the past five months, since the DPRK-U.S. talks began, only we have unilaterally worked in the talks to fulfill the agreements and that the United States have not worked at all. The U.S. side has ignored the spirit of the agreement of the talks that the two sides simultaneously work on an equal basis, and this has eventually become a major reason the solution of the nuclear issue has come to a deadlock.

Even though the truth of the situation is like this, the U.S. side is misleading the public opinion, talking as if we are responsible. This makes us suspect that even though it has no intention to sincerely resolve the nuclear issue, the United States is unchangingly pursuing its political goal of stifling [apsal] our Republic.

In particular, the fact that the United States has said that the continuity of the surveillance [kamdok] of our nuclear activities is about to be broken is an act of reversing black and white. To ensure that our nuclear activities are not used for military purposes until the nuclear issue is resolved completely through DPRK-U.S. talks, we have up until today fulfilled our sincere promise with the United States to allow the maintenance and replacement of the IAEA's devices which monitor the safeguards. The IAEA's monitoring cameras and sealing devices are preserved as they were [kamsi cameradulgwa pongin changchiduri kudaero yujidoego itta] in our country's nuclear facilities.

We have so far allowed the IAEA's inspection teams to come to the DPRK whenever it is necessary, replace film and batteries for monitoring devices, check the sealing devices, and do equipment maintenance for ensuring the continuity of the surveillance of safeguards. Also, we recently notified the IAEA on many occasions that we can allow such inspection teams to visit whenever the IAEA requests.

As a matter of fact, given the scale and situation of our country's nuclear facilities, conducting surveillance by using devices [kije kamsi] alone can fully ensure that our nuclear activities are not used for military purposes. The maintenance and replacement of the monitoring devices were done last August. At that time, no one worried that the continuity of safeguards would be broken.

Even though we believed that conducting surveillance by using devices alone are sufficient enough to ensure the continuity of the safeguards, considering the situation facing the U.S. side, we recently made clear our magnanimous position that we could further expand the sphere of inspections; started behind-the-scenes negotiations with the U.S. side; and proposed working-level negotiations with the IAEA accordingly.

Nevertheless, the United States and the IAEA have asked us to accept all the IAEA's full inspections to ensure the continuity of the safeguards and presented this as a precondition for holding the third stage of DPRK-U.S. talks. Consequently, what the United States and the IAEA request is for us to fully [chonmyon choguro] and immediately implement the safeguards agreement at present. For us to fully implement the safeguards agreement means to completely return to the NPT. As we made clear in the statement by the government of the Republic, we declared a withdrawal from the treaty because the supreme interests of our Republic were endangered due to the nuclear threats of the United States and the unfairness of the IAEA.

The United States decided to hold DPRK-U.S. talks because it knew that it could not make us return to the treaty without changing its policies of resorting to nuclear threats in Korea and being hostile to Korea. And, against this background, the DPRK-U.S. joint statement was released. Therefore, the United States, which has not implemented any of the promises with us, is not in a position to directly ask us to return to the treaty. Therefore, while refraining, ingenuously [kyomyohagedo], from using the expression return to the treaty and while talking, falsely, about ensuring the continuity of the surveillance of safeguards, the United States is pursuing our return to the treaty in spirit [naeyongjogin choyak pokkwirul kkoehagoitta] by realizing inspections that are tantamount to the complete implementation of the safeguards agreement.

Viewed from this perspective, we more strongly suspect that the United States may have tried from the beginning to have us return to the treaty by placating us with empty words, even without completely abandoning its policies of resorting to nuclear threats to our country, being hostile to it, and stifling it. [irokebolttae migugun choumbuto urinarae taehan haegwihyopkwa choktaesi apsal chongchaegul wanjon pogihaji anumyonsodo urirul pinmallo ollyoso choyage bokkwisikyo poryonun soksimul chuguhaji ananuungahanun uisimi touk chittojigedoenda]

Under special circumstances in which we unilaterally suspended, on a temporary basis, the effectuation of our withdrawal from the treaty, one must surely differentiate ensuring the continuity of the safeguards from completely implementing the safeguards agreement. Completely implementing the safeguards agreement is an issue that must be discussed and resolved in future DPRK-U.S. talks by linking this to the issue of the United States' abandoning the policies of resorting to nuclear threats and stifling [apsal] the DPRK.

If they try to deliberately review our nuclear issue solely in the light of technical and practical regulations, such as the safeguards agreement under the present situation, in which political factors that incited [chokpal] us to withdraw from the NPT still remain, the nuclear issue can never be resolved.

The purpose of the U.S. outcry over our implementation of the safeguards agreement, while refusing to make any single move by itself, is regarded as nothing but an attempt to complicate the situation and prepare a pretext for putting sanctions and pressure on us, without the intention to actually resolve the nuclear issue.

We make it clear once again that we cannot comply completely with the safeguards agreement unless the United States shows in practice its guarantees that it would not try to stifle [apsal] our system.

The nuclear problem on the Korean peninsula can never be solved through pressure. It can only be solved through dialogue and negotiations.

We proposed to the United States a package solution [ilgwal tagyol] of the nuclear problem as we believed that the lack of confidence between the DPRK and the United States is an important factor that prevents the nuclear issue from being resolved.

In order for things to be done smoothly, it is natural that problems need to be solved one by one in the way that the United States, an assailant, moves first and we, a victim, respond [hwadap] to it. Unacceptable is the behavior of the United States demanding us to move first, unbecoming of its position.

It is our view that a formula for a package solution should be adopted, whereby the two sides should define at least what each side should do and move at the same time.

If the third round of DPRK-U.S. talks are held and an agreement is reached on a formula for a package solution, a firm prospect of solving the nuclear problem will be opened. [che samdangye chomihoedami yolligo kogieso ilgwal tagyol pangsigi habui toemyon haekmunje haegyorui hwakkohan chonmangi yollige toel gosida]

The nuclear problem will be solved smoothly if the United States takes a practical action of renouncing its nuclear threat and hostile policy toward us as soon as the formula for a package solution is agreed upon and we fully comply with the safeguards agreement, remaining as a member nation of the treaty.

There is no change in our stance to fully ensure the continuity of the safeguards until an agreement is reached on the formula on a package solution.

Now the matter depends on how the United States responds to our proposal for a package solution, renouncing its hostile policy of stifling the DPRK.

The formula on a package solution will be a touchstone showing whether or not the United States truly has the will to solve the nuclear problem and will for dialogue. If the United States does not show a positive response to our proposal, we will have no alternative but to consider that the United States has no will for genuine dialogue for the solution of the nuclear problem.

If the IAEA ignores our sincere proposal for negotiations to ensure the continuity of the safeguards and distorts the fact as if the continuity of the safeguards in the DPRK has been broken, it would be considered to be a signal urging us to get out of the NPT promptly.

The ball is in the court of the United States and the IAEA.

KCNA Carries 'Text' of Statement

SK1211050993 Pyongyang KCNA in English 0458 GMT 12 Nov 93

["The nuclear problem of the Korean peninsula can never be solved by pressure, but be solved only by means of dialogue and negotiation; statement of head of DPRK side's delegation to DPRK-USA talks"—KCNA headline]

[Text] Pyongyang, November 12 (KCNA)—Kang Sok-chu, first vice-minister of Foreign Affairs and head of DPRK side's delegation to DPRK-USA high-level talks, published Thursday the following statement regarding the arguments and rumors spread by dishonest forces to becloud the prospects of the solution of the nuclear problem on the Korean peninsula:

Very ill-boding signs are appearing these days, beclouding the prospects of solution of the nuclear problem on the Korean peninsula.

Some quarters are painting an extremely pessimistic picture of the situation as if the continuity of the safeguards on our country's nuclear activities were on the verge of suspension, arguing that if the DPRK refuses to accept "a total inspection" by the International Atomic Energy Agency (IAEA) within a few days, "UN sanctions" must be imposed on it.

And it must not go unnoticed that, with a view to backing these arguments of theirs, they are concealing the essence of the nuclear problem on the Korean peninsula and are distorting fact to create the impression that the DPRK is playing a hide-and-seek to develop nuclear weapons, and are setting afloat the false rumor that it is using the nuclear problem as a bargaining chip to attain a certain selfish aim.

Taking into consideration the serious nature of the political purpose sought by the dishonest forces in spreading such arguments and rumors zealously, I deem it necessary to clarify the truth of the situation and our principled stand for a solution of the nuclear problem.

As is already known, the DPRK and the U.S. sides published a joint statement after discussing and reaching an agreement on the matters of principle in the solution of the nuclear problem and held talks on this basis.

In the joint statement the two sides confirmed it as the basic principles of the solution of the nuclear problem to refrain from nuclear threats, respect each other's sovereignty, ensure a fair application of full guarantee and for the United States to support a peaceful reunification of Korea, and clearly defined the DPRK and the USA as the parties vested with chief responsibility and authority for the solution of this problem.

According to this, we have taken practical measures for the solution of the nuclear problem and acted in good faith in the course of the talks till today.

With the publication of the DPRK-U.S. joint statement, we unilaterally and temporarily suspended the effectuation of our declaration on our withdrawal from the Nuclear Nonproliferation Treaty and resumed negotiation with the IAEA and the North-South dialogue.

And, under this special situation, we totally froze the movement of nuclear material within the DPRK to fulfil our commitment to proving the transparency of our nuclear activities and allowed inspection for ensuring the continuity of safeguards in this regard.

Especially, we made a big bold decision to replace the existing graphite moderated reactors with light water reactors at the expense of the independence of our nuclear power industry, in order to fundamentally dispel the socalled "suspicion of nuclear development" against the DPRK.

All these sincere efforts, however, have failed to call forth a practical response from the U.S. side, and the current situation is developing in the opposite direction. This is attributable to the faithless stance of the U.S. side, our dialogue partner, toward the talks.

Contrary to the principles agreed upon at the past talks, outrageous words threatening and antagonising the DPRK have rolled off the tongues of official figures of the United States in succession and they are overtly revealing their intention to continue the "Team Spirit" military maneuvers, nuclear war exercises against the DPRK.

On the other hand, they brought the third-stage DPRK-U.S. talks that was to be held within two months to a deadlock by setting unreasonable preconditions and orchestrated the adoption of a "resolution" laying the blame at our door at the general assembly of the IAEA and the U.N. General Assembly.

All these facts show that over the five months after the talks began only the DPRK has unilaterally moved to implement the points agreed upon at the talks, and the United States has not moved at all.

The spirit of the agreement at the talks that both sides should move simultaneously on an equal footing has been ignored by the U.S. side and, in the final analysis, this is the main cause of impasse in the solution of the nuclear problem.

This notwithstanding, the United States is trying to mislead public opinion as if the DPRK were to blame for it. This fosters the suspicion that the United States still pursues a political purpose of stifling our Republic, unwilling to solve the nuclear problem in real earnest.

Particularly, it is an act of reversing black and white to cry that the continuity of the safeguards of the nuclear activities of the DPRK is broken.

To guarantee that our nuclear activities will not be oriented to military purpose until the nuclear problem has completely been solved through the DPRK-U.S. talks, the DPRK has until now remained faithful to its promise to the United States that it will allow the readjustment and replacement of the inspection cameras of the IAEA.

Still now the inspection cameras and seals of the IAEA remain on the nuclear facilities of our country.

Until now, we have allowed inspection teams of the IAEA to change films and batteries of the inspection cameras, confirm their seals and readjust the cameras whenever necessary for the continuity of safeguards. Only recently, we informed the IAEA on several occasions of our readiness to receive such inspection teams at any time it requests that.

Considering the scale and conditions of our nuclear facilities, they can fully confirm only with the cameras that our nuclear activities had nothing to do with the military purpose.

When the cameras were readjusted and replaced in August, nobody was afraid that the continuity of safeguards might be broken.

Though we consider that the observation by cameras alone is enough to ensure the continuity of safeguards we, making allowances for the circumstances of the U.S. side, clearly manifested our magnanimous stand that the scope of inspection might be expanded and already held an informal negotiation with the U.S. side and then proposed a working-level negotiation with the IAEA.

Nevertheless, the United States and the IAEA are claiming that if the continuity of safeguards is to be ensured, we must accept an overall inspection by the IAEA and set this as a precondition for the opening of the third-stage DPRK-U.S. talks.

What the United States and the IAEA demand is that we wholy comply with the safeguards agreement immediately at the present juncture.

Our whole compliance with the safeguards agreement means our full return to the Nuclear Nonproliferation Treaty [NPT].

As we made clear in a statement of the DPRK Government, we declared our withdrawal from the NPT because our Republic's supreme interests were in danger owing to the U.S. nuclear threat and the partiality of the IAEA.

The United States came out to the DPRK-US talks because it admitted that it could not bring us back to the treaty without a change in its nuclear threat and hostile policy toward Korea and the DPRK-US joint statement was published against this background.

Therefore, the United States which has put into practice none of its commitments to us has no face to demand us point-blank to return to the treaty.

This is why the United States, craftily enough, is seeking our substantial return to the treaty by realising inspection equivalent to the full compliance with the safeguards agreement under the cloak of "continuity of safeguards inspection", avoiding the words of return to the treaty outwardly.

This increases the suspicion that the United States had intended to coax us with an empty talk into return to the treaty, not completely giving up nuclear threat to our country and hostile policy of stifling it from the first.

Under the special circumstances in which we unilaterally and temporarily suspended the effectuation of our withdrawal from the treaty, there must be a clear distinction between the guarantee of continuity of safeguards and full compliance with the safeguards agreement.

The full compliance with the safeguards agreement must, in any case, be debated and solved in direct links with the abandonment of the nuclear threat and stifling policy of the United States through future DPRK-U.S. talks.

The nuclear problem cannot be solved any time if they try to deliberately attribute our nuclear problem to such technical and working rules as the safeguards agreement under the present situation in which the political factors of our withdrawal from the treaty still remain.

In a nutshell, the purpose of the United States in demanding only our compliance with the safeguards agreement at the present juncture, itself not moving at all, cannot be construed otherwise than to invent a pretext of sanctions and pressure on us by rendering the situation complicated, not to settle the nuclear problem in actuality.

We make it clear once again that we cannot fully comply with the safeguards agreement unless the United States guarantees in deed that it would not try to stifle our system.

The nuclear problem on the Korean peninsula can never be solved through pressure. Only through dialogue and negotiation can it be solved.

We proposed to the U.S. side the formula of package solution of nuclear problem "proceeding from the judgement that the major cause of no progress in the solution of the nuclear problem lies in the lack of trust between the DPRK and the United States.

If the thing is to go well, the questions should be settled one by one with the United States, the assailant, moving first and us, the sufferer, responding.

But the United States, contrary to its position, is now telling us to move first. This is totally unacceptable.

We insist on the formula of package solution whereby the sides should at least define their work and each side should do its share.

If the DPRK-U.S. talks of third stage are held and an agreement is reached on the formula of package solution there, a definite prospect for the settlement of the nuclear problem will be opened.

The nuclear problem will be solved smoothly when, an agreement is reached on the formula of package solution and the United States take a practical action of renouncing the nuclear threat and hostile policy against us according to it and we fully comply with the safeguards agreement, remaining committed to the treaty.

There is no change in our stand to fully ensure the continuity of safeguards until an agreement is reached on the formula of package solution.

Now the matter depends on how the United States responds to our proposal for a package solution, renouncing its hostile policy of stifling the DPRK.

This formula will be a touchstone showing whether or not the United States truly has the will to solve the nuclear problem and the will for dialogue.

If the United States does not show a positive response to our proposal, we will have no alternative but to consider that the U.S. side has no will for a genuine dialogue for the solution of the nuclear problem.

If the International Atomic Energy Agency ignores our sincere proposal for negotiation to ensure the continuity of safeguards and distorts the fact as if the continuity of safeguards in the DPRK had been broken, it would be considered to be a signal urging the DPRK to quit the Non-proliferation Treaty promptly.

The ball is in the court of the United States and the IAEA.

Aspin's Remarks on 'Nuclear Problem' Cited

SK1111043693 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 10 Nov 93

[Text] U.S. Secretary of Defense Aspin told reporters after talks with the director general of the Japan Defense Agency that the "nuclear problem" could be solved only through direct talks between Washington and Pyongyang, the Voice of America reported on November 2. Quoting Aspin as saying that the "nuclear problem" of North Korea must be solved in a peaceful way through dialogue, the radio November 3 and 4 reported that the United States had no intention of promoting international sanctions.

Meanwhile, the 6 November issues of the Japanese paper ASAHI SHIMBUN quoted Harrison, a senior researcher at the Carnegie Foundation for International Peace in the United States, as saying at a meeting of the U.S. House Foreign Affairs Subcommittee for Asia-Pacific Affairs that impartiality is necessary for a solution of the nuclear problem on the Korean peninsula.

South Denounced on ROK-U.S. Exercises Plan

SK1211051993 Pyongyang KCNA in English 0507 GMT 12 Nov 93

[Text] Pyongyang, November 12 (KCNA)—The South Korea-U.S. "Combined Forces Command" announced on November 10 that the U.S. troops present in South Korea and the puppet Army would stage a joint field military exercise under the codename of "Foal Eagle 93" for ten odd days from November 15, according to a radio report from Seoul.

Almost at the same time, the South Korean authorities announced that they would stage "Hwarang" drill in an actual war atmosphere involving the South Korean puppet Army, the "Homeland Defence Reserve Forces", its detached corps, and public bodies and people from November 15 to 20.

As known, the puppet defence minister openly threatened the North by prattling that "military countermove would not be ruled out", while making much ado about the North's fictitious "nuclear development" and thus, committed a criminal act of driving the working-level contact for the exchange of presidential special envoys of the North and the South into a deadlock.

By making a more undisguised military challenge to us, the South Korean authorities betray their anti-national nature of taking the road of war against dialogue, not a road of dialogue and reunification.

Radio Announces Exercises

SK1211020993 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 11 Nov 93

[Text] According to a broadcast report from Seoul, the South Korea-U.S. Combined Forces Command on 10 November announced that the U.S. troops in South Korea and the puppet forces will hold a joint military field training exercise named Foal Eagle-93 for about 10 days starting on 15 November. The war exercise will involve the majority of the South Korean puppet forces and U.S. troops in South Korea, and will be held in various locations including the demilitarized zone, the announcement said.

At the same time the announcement was made, the South Korean authorities announced that it would stage the Hwarang exercise exclusively on 15-20 November in the atmosphere of a real war. It is a war exercise in which the South Korean puppet forces; local reserve forces, which is the puppet forces' detached force; government officials and residents will be mobilized.

South Accused of 'Reckless Military Provocations'

SK1111042693 Pyongyang KCNA in English 0408 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—The South Korean puppets on November 8 deployed an armored vehicle and armed personnel in the area of the Demilitarized Zone (DMZ) North of Kajon-ri, Inje County, South Korean Kangwon Province, and on November 9, some 1,000 armed personnel, over 20 large-calibre guns and more than 50 military vehicles in Paju and Yonchon Counties, Kyonggi Province, areas adjacent to the DMZ, according to military sources.

On November 8 and 9, large-calibre artillery units and tank groups of the puppet army which took positions in Paju County and Chorwon County, South Korean Kangwon Province, fired more than 100 shells into spots near the DMZ and across the Imjin river.

Such war moves of the South Korean puppets are reckless military provocations designed to deliberately increase the tensions in the areas along the Military Demarcation Line.

Radio Denounces 'Provocation'

SK1111090193 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 10 nov 93

[Text] According to a military source, the South Korean puppets on 8 and 9 November committed a grave military provocation by drastically reinforcing armed forces near the Military Demarcation Line [MDL] right before our eyes.

On 8 November, the South Korean puppets deployed an armored vehicle and armed personnel in the area of the Demilitarized Zone [DMZ] north of Kajon-ri, Inje County, South Korean Kangwon Province. In broad daylight on 9 November, they mobilized and deployed some 1,000 armed personnel, over 20 large-caliber guns, and more than 50 military vehicles in areas near Tuji-ri in Paju County and Tongu-ri in Yonchon County, Kyonggi Province, areas adjacent to the DMZ.

Meanwhile, large-caliber artillery units of the puppet Army, which took positions in areas of Chongja-ri in Paju County, and Naedae-ri and Sangsa-ri in Chorwon County, South Korean Kangwon Province, indiscriminately fired more than 100 shells into areas near the DMZ. Prior to this, on 8 November, tank groups of the puppet Army, which were mobilized and deployed in areas of Kumpa-ri, Paju County, fired more than 20 shells from a tank gun at the opposite bank of Imjin River while advancing in the direction of the MDL.

Such frenzied war maneuvers perpetrated by the South Korean puppets in broad daylight right before our own eyes are a reckless military provocation aimed at artificially aggravating tensions along the MDL.

The South Korean puppets should keenly ponder the grave consequences resulting from military provocations waged amid a war fire hazard. They should not run wild recklessly.

Kim Yong-sam's Remarks Called 'Open Challenge'

SK1211103493 Pyongyang KCNA in English 1007 GMT 12 Nov 93

[Text] Pyongyang, November 12 (KCNA)—The South Korean ruler, Kim Yong-sam, at a "meeting of security-related cabinet ministers" at "Chongwadae" Nov. 10 cried over "threat from the North" and made impudent remarks that "thorough measures must be taken to cope with the event of contingency," that efforts for the solution of the "nuclear problem of the North" have entered "an important stage" and that he would "finally discuss the nuclear problem of the North" at talks with the U.S. President.

NODONG SINMUN today brands this reckless bellicose outcry of the South Korean chief executive as an open challenge to the North's sincere efforts for reconciliation, unity, peace and reunification and an unpardonable anti-national crime against peace and peaceful reunification of the country.

The news analyst says:

It is threat from the South, not "from the North" that actually exists on the Korean peninsula.

The South Korean ruler made much ado as if a war would break out at once. Lurking behind it is his sinister intention to unleash a war under a certain pretext while aggravating the atmosphere of confrontation and his scheme to divert elsewhere the people's attention and bridge over the crisis, dismayed at the bankruptcy of the "reform policy" and the growth of the people's complaints and resistance.

Kim Yong-sam's outcry over the fictitious "nuclear problem of the North" was motivated by his insidious scheme to mislead public opinion in the direction of putting pressure on the DPRK and stifling it through early international sanctions" [no opening quotation mark as received] and lay obstacles to the third round of DPRK-U.S. talks and realise "sanctions" against fellow countrymen.

We will never allow the South Korean ruling forces to agitate confrontation and war and attack fellow countrymen in collusion with outside forces but will counter it resolutely.

Removal of Restrictions to Dialogue Urged

SK1111112693 Pyongyang KCNA in English 1037 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—The South Korean rulers must withdraw their criminal doctrine of a "unified channel of dialogue" and give the people opportunities for free travel, contact and dialogue for reunification, urges NODONG SINMUN in a by-lined article today.

The "unified channel of dialogue" was invented by the preceding military dictators to keep the popular masses from debate on reunification and dialogue, the article says, and continues:

After the June popular resistance which plunged the "Fifth Republic" dictatorship into a catastrophic crisis the reunification movement rapidly expanded and developed to be a mass movement involving various social strata in South Korea. Upset by this, the military fascists did not allow civilians and non-governmental organizations to have dialogue with the North, demanding that they make an application to the "government" authorities and get their "approval" for contact and dialogue with the North.

But the authorities have never given yes to their application.

This shows that the "unified channel of dialogue" was not held forth as a means of formalities and method of North-South contact and dialogue but as a means of control and tool of repression for blocking free travel and contact between people.

It is aimed at making North-South dialogue a monopoly of the authorities.

By monopolizing North-South dialogue, the South Korean authorities seek to create the impression that they are having dialogue with the North and use it as a means of freezing the division of the country, maintaining power and gratifying the desire to "unify the country through the absorption of the North."

What matters is that the doctrine of "unified channel of dialogue" employed under the military dictatorship of the "Fifth and Sixth Republics" is maintained by the present "regime" under the "civilian" veil.

It is the unanimous aspiration and desire of the whole nation to achieve reunification of the country in the '90s by winning national reconciliation and unity.

The South Korean rulers must look straight at the will of the fellow countrymen for reunification, discard the old thinking- pattern and make a switchover to the road of national unity and reunification.

ROK Dissident Calls Kim Chong-il 'Brilliant'

SK1011111793 Pyongyang KCNA in English 1026 GMT 10 Nov 93

[Text] Pyongyang, November 10 (KCNA)—South Korean people lauded the dear leader Comrade Kim Chong-il as a great brilliant commander.

A dissident organization member residing in Myong-dong, Seoul, said Marshal Kim Chong-il who was born as the bright star of Mt. Paektu is the most famous commander ever known in history, perfectly equipped with both literary and military accomplishments, loyalty and filial piety.

A student of Korea University surnamed Yi, chatting with fellow students over the reunification question, said the North is forcefully advancing along the road of socialism without any vacillation even under the present-day complicated international situation because Marshal Kim Chong-il is building and commanding its Army with his chuche-based military thought, theories and energetic activities. "He is an outstanding military strategist and great brilliant commander," praised the student.

Students and other citizens in Seoul, Pusan and Taegu said no force on earth can overpower the North which has the strong People's Army under the wise guidance of dear General Kim Chong-il and the people united as firm as a rock and the whole territory of which has been made a fortress.

Youth League Statement Denounces 'Suppression'

SK1111083393 Pyongyang KCNA in English 0438 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—The Central Committee of the League of Socialist Working Youth of Korea released a statement Wednesday denouncing the suppression of students by the South Korean "civilian fascist regime."

The statement says:

Recently students waged a struggle for independence, democracy and reunification in Seoul and Kwangju, calling for the withdrawal of U.S. troops from South Korea, stop to the "nuclear inspection" of the North, the implementation of the North-South agreement and the abolition of the "National Security Law" (NSL). In this connection, "three ministers" of the "civilian fascist regime" called a "joint press conference" and threatened to "arrest all of them through a wholesale police search and deal with them by law." And the South Korean rulers have thrown a dragnet to arrest the chairman of the Kwangju-South Cholla Provincial Federation of General Student Councils and other students who have protested against it.

This tells that the Kim Yong-sam "regime" has already taken off the "civilian" veil and openly revealed its fascist nature.

It is only too natural that the South Korean students who love justice and the country call for the U.S. troop pullout and the abolition of the "NSL" as long as foreign troops remain in South Korea violating the sovereignty of the country and pursuing the policy of colonial domination and interference and the "NSL" which was enacted in the period of the former military fascist dictatorship still exists, trampling down democracy and human rights.

They, however, suppress the students on the charge of their "sharing the view of the North." This fully shows how despicable flunkeyists and traitors and truculent fascist hangmen the South Korean rulers are.

With nothing can they break the firm will and resolution of the South Korean students to courageously fight it out for their just cause, undaunted by any suppression and appeasement by the "civilian" dictators.

The Kim Yong-sam "civilian fascist regime" must promptly stop the suppression of students and unconditionally release all the illegally arrested students at once.

'Dangerous Collusion' at ROK-Japan Summit

SK1211062393 Pyongyang Korean Central Broadcasting Network in Korean 1153 GMT 10 Nov 93

[NODONG SINMUN 10 November commentary: "Collusion Running Counter to the Trend of the Times"]

[Text] Japanese Prime Minister Hosokawa visited South Korea on 6-7 November. According to reports, South Korean ruler Kim Yong-sam and Prime Minister Hosokawa held talks on 6 November in Kyongju and said that South Korea and Japan should no longer cling to the past but develop future-oriented relations. They also raised our nonexistent nuclear issue and agreed to work together towards its final resolution.

As shown, the talks between Kim Yong-sam and the Japanese prime minister was a behind-the-scene deal for invasion and treachery that stains the Korean people's national dignity and sells off national interest.

In the talks, the Japanese prime minister tried to obscure the Japanese imperialists' invasion on Korea and its past barbarous colonial rule, which spans almost half a century, simply by repeating that he once again expresses deep remorse for their crimes. Replying to this, Kim Yong-sam said that he highly appraises the prime minister's historical consciousness, and continued to brag by saying that no compensation for comfort women would be necessary and that he would not cling to the past, but establish new, future-oriented South Korea-Japan relations.

The jeopardy and pain that Japanese imperialists brought to the Korean people for more than 40 years of brutal Japanese colonial rule is immeasurable. It is clear to everybody that Japan's criminal history can never be wiped out by a single word of remorse. The comfort women issue can only be resolved when the Japanese authority fully explains, apologizes, and provides compensation in regard to the truth that inhuman crimes occurred in which the Japanese imperialists drafted some 200,000 Korean women, infringed upon their fidelity, and even took their lives.

However, without asking for full investigation, apology, and compensation for this issue, Kim Yong-sam blurred this issue in the name of political resolution, bragged about new South Korea-Japanese relations, and said that he thinks highly of the mere utterance of remorse by the Japanese prime minister. Therefore, Kim Yong-sam is no different from any of the five 1905 traitors [five Choson Dynasty ministers who signed the treaty to transfer the dynasty's diplomatic rights to Japan in 1905].

What he terms as new South Korea-Japan relations is, in essence, the subjugation to the Japanese reactionaries by South Korean nation-sellers and a new stage in Japan's political and economic rule over and Japan's military penetration into South Korea.

Kim Yong-sam said that since South Korea lacks political independence or control over its armed forces and is dependent, new partnership relations would be established with Japan and that this would promote common security and prosperity. This is nothing but a ridiculous joke.

Such a collusion for invasion and treachery is also shown in the fact that they found fault with our nonexistent nuclear issue. The Japanese prime minister's remarks that both nuclear weapons and missiles of North Korea are worrisome are a mere vicious scheme to justify their own criminal maneuvers to become a military power through overseas expansion and reinvasion of Korea and by arming themselves with nuclear weapons.

The fact that the South Korean ruler joined the nuclear commotions against his fellow countrymen hand in hand with the Japanese reactionaries clearly shows his antinational, pro-Japanese, and nation-selling nature.

In the presence of the Japanese prime minister, Kim Yong-sam said that South Korea's diplomacy focuses on Japan and the United States. He also said that no other South Korean president has made such remarks. In this way, he showed the nature of a traitor who, without a sense of shame, curries favor with outside forces if it is to lead to his comfortable life and maintenance of power.

The dangerous collusion between Japan and South Korea is an anachronistic act running counter to the trend of the situation in which the cold war is over and detente and peace are being pursued.

The South Korean nation sellers should abandon their treacherous nature of joining with foreign powers to harm their fellow countrymen, and the Japanese reactionaries should stop inciting the South Korean nation sellers into division and confrontation and do something helpful for peace and reunification in Korea. They must deeply consider what might result from their acts against the cause of peace.

The Korean people are closely watching the dangerous collusion between Japan and South Korea which they will never tolerate or overlook.

Daily Says Japan 'Justifying' Reinvasion Plans

SK1211110393 Pyongyang KCNA in English 1013 GMT 12 Nov 93

["Undisguised Design of Reinvasion"—KCNA headline]

[Text] Pyongyang, November 12 (KCNA)—The Japanese reactionary ruling circles' design of military attack on the Democratic People's Republic of Korea comes under fire in NODONG SINMUN today.

Recalling the recent remarks of the director general of the Defence Agency of Japan that "if an abnormal situation is created on the Korean peninsula, Japan will need to show an appropriate reaction," the analyst says:

The gravity of the matter lies in that the Japanese ruling circles are trying to actualize their reinvasion scheme under the pretext of "abnormal situation" and "event of contingency."

In the past Japan invaded Korea and robbed it of fabulous human and material resources. The Japanese monopoly capital which has swollen to its limit is persistently seeking overseas expansion. The reactionary ruling circles of Japan intend to gratify its ambition through overseas aggression. The target is Korea which Japan invaded in the past and is its neighbor.

Japan, in actuality, has finished military preparations for reinvasion. The "Self-Defence Forces" [SDF] is equipped with sophisticated means of attack and its military potential has increased beyond comparison.

Making Japan's reinvasion of Korea a fait accompli, its ruling quarters are letting "SDF" soldiers learn the Korean language, get familiar with the geographical features of Korea and cultivate the military operation capacity for reinvasion.

The fact that various operational plans for attacking Korea have been worked out and refined in Japan clearly indicates where the spearhead of the huge Armed Forces of Japan is directed.

The talk of the reactionary ruling circles about "abnormal situation," "event of contingency" on the Korean peninsula and the fictitious "nuclear development" and "missile threat" by the DPRK is aimed at justifying their reinvasion design. However, they have made a mistake. Those who make a military strike at others are destined to meet a retaliation.

The militarist reinvasion design will bring only destruction to Japan.

Japan Urged To 'Refrain From Acting Rashly'

SK1111045593 Pyongyang KCNA in English 0432 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—The director general of the Japanese Defence Agency, Keisuke Nakanishi, at the cabinet committee of the house of councillors November 9 let out the bellicose blast that "should anything abnormal occur on the Korean peninsula, Japan also will show an appropriate reaction," the South Korean MBC reported.

His utterances are a grave challenge to the DPRK, as it openly revealed the criminal intention to invade our Republic by sending Japanese forces to South Korea in an event of contingency on the Korean peninsula.

The Japanese reactionaries have hitherto persistently cried over the fictitious "development of nuclear weapons" by the DPRK and "missile threat". Now it has been proven more clearly that this was a mean ruse to justify their moves to arm Japan with nuclear weapons and turn it into a military power and invent a pretext to invade our country.

Nakanishi's outburst eloquently tells that the reinvasion manoeuvrings of Japan that is watching for a chance of overseas aggression, regarding the DPRK as "the first imaginary enemy" has gone to a very dangerous extent.

The Japanese reactionaries intend to follow in the footsteps of the "imperial army" that inflicted misfortunes and sufferings upon the Asian people.

They must draw a lesson from the shameful doom of the Japanese imperialists in the past and refrain from acting rashly.

Radio on Japanese Director's Remarks

SK1111082093 Pyongyang Korean Central Broadcasting Network in Korean 0500 GMT 11 Nov 93

[Text] According to a report from the South Korean Munhwa Broadcasting Corporation, Keisuke Nakanishi, director general of the Japanese Defense Agency, at the House of Councillors Cabinet Committee on 9 November made violent bellicose remarks that if an abnormal situation occurs on the Korean peninsula, Japan will react appropriately.

His utterances are a grave challenge to us, as it openly reveals a criminal intention to invade our Republic by sending Japanese troops to South Korea in the event of an emergency [yusasie] on the Korean peninsula. His utterances are dangerous, unpardonable, and absurd gibberish.

We must pay keen attention to the acts and remarks of Nakanishi at this alarming time when the South Korean authorities are leading the situation on the Korean peninsula to the brink of war in collaboration with outside forces.

On 2 November, Kwon Yong-hae, the South Korean defense minister, openly raved that the South is ready to react militarily against the North on the pretext of our nuclear development. Following this, Japanese Prime Minister Hosokawa visited South Korea and held talks with Kim Yong-sam, thus conspiring against us. In addition, Nakanishi talked about Japan's reaction. This clearly illustrates that the Japanese reactionaries and the South Korean puppets are accelerating the development of the international cooperative system in order to stifle us.

The Japanese reactionaries should learn from the disgraceful end of the Japanese imperialists, whose necks were broken while running amok with aggression in the past, and should act with discretion.

Chongnyon Denounces 'Smear Campaign' on Funding

SK1211114493 Pyongyang KCNA in English 1059 GMT 12 Nov 93

[Text] Tokyo, November 10 (KNS-KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) Wednesday released a statement denouncing one more anti-DPRK, anti-Chongnyon smear campaign launched recently by the Japanese authorities over the fictitious "remittance" to the DPRK from Chongnyon.

Expressing indignation at the fact that the Japanese authorities, meanly enough, faked up a "remittance problem" and, as if it were not enough, transferred to the press a false "information" about the use of the money in "nuclear development" by the DPRK, the statement brands this as a groundless propaganda and a manifestation of the anti-DPRK hostile policy deliberately pursued under the "international cooperation system" over the fictitious "nuclear problem" of the DPRK.

Calling attention to the fact that the Japanese authorities have constantly rigged up information in collusion with the intelligence agencies and paid media of the United States and South Korea in a bid to isolate the DPRK and Chongnyon, the statement says: "It must not go unnoticed that they seek in this smear campaign to have 'international sanctions' imposed on the DPRK and invent a pretext to suppress Chongnyon by taking advantage of them."

The statement stresses:

"We sternly condemn with bitter indignation the malicious false propaganda and hostile acts committed against the DPRK and Chongnyon by the Japanese authorities jointly with the United States and the South Korean authorities and strongly demand an immediate halt to them.

"We demand that the Japanese authorities respect the will and interests of the peoples of Korea and Japan and rectify their hostile policy against the DPRK and Chongnyon."

Funds for Nuclear Weapons Denied

SK1211111593 Pyongyang KCNA in English 1052 GMT 12 Nov 93

["Sinister Political Intention"—KCNA headline]

[Text] Pyongyang, November 12 (KCNA)—The Japanese authorities are now letting the reptile press spread a groundless rumor that the Democratic People's Republic of Korea has used in the "development of nuclear weapons" the "remittance" from the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan, according to reports from Tokyo.

This is an utterly groundless propaganda and a malicious slander on Chongnyon and the DPRK.

We have declared more than once that we have neither will nor need to develop nuclear weapons. So, their propaganda is really preposterous. And their allegation that the "money" needed for "nuclear arms development" is obtained from "remittance" from Chongnyon and Koreans in Japan is a sheer fabrication.

The Japanese authorities are raising a terrific outcry over the fact that Korean residents in Japan who visit the homeland give a certain amount of pocket money to their families, relatives and friends. Their act of meddling in the private life of others is the height of the baseness of their morality. It is ridiculous of the Japanese authorities to cry that the pocket money is the "source of foreign currency" and "funds for nuclear development".

The rumour about "remittance" spread by the Japanese authorities is timed to coincide with their overheated anti-DPRK campaign for intensified "international cooperation system" over the fictitious "nuclear arms development." It is not hard to guess what sinister political purpose is lurking behind their false propaganda.

The Japanese reactionaries intend to use the fiction of "remittance" as a pretext for the suppression of Chongnyon and the Korean residents in Japan and connect it with the "nuclear arms development" of the DPRK in a far-fetched way and justify with it their dangerous moves to build Japan into a military and nuclear power for reinvading Korea and dominating Asia. It is a foolish calculation.

Reunification Committee on ROK-Japan Agreement

SK1111111293 Pyongyang KCNA in English 1053 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—The Committee for the Peaceful Reunification of the Fatherland in a statement today said it solemnly declares once again in the name of the entire Korean people that since the "Ulsa Five-Point Treaty" of 1905 has been proved to be illegal and invalid, the "South Korea-Japan Treaty on Basic Relations" and the "South Korea-Japan Agreement" "signed" between Japan and the South Korean authorities are totally null and void and settlement with Japan has not been concluded.

The statement was published after the Japanese imperialists' political fraud had been proved all the more clearly with the recent discovery at the library of Colombia University of the United States of a personal letter of Kojong, the then Korean emperor, declaring the "Ulsa Five-Point Treaty" null and void in view of the international law.

"Now it has become all the clearer that the 'South Korea-Japan Treaty on Basic Relations' and 'South Korea-Japan Agreement' of 1965 are invalid," the statement says.

"It goes without saying that since the 'Ulsa Five-Point Treaty' has been proved null and void, the 'South Korea-Japan Treaty on Basic Relations' and the 'South Korea-Japan Agreement' premising its validity are a mere sheet of paper invalid in view of the international law," the statement notes, and stresses:

"The unheard-of crimes and heavy damages inflicted by the Japanese imperialists upon the Korean people after illegally occupying Korea were so monstrous that any apology and compensation cannot be adequate.

"Now the Japanese authorities are not only evading the historical responsibility for atoning for their crimes but also trying to put pressure on the DPRK under the pretext of 'suspicion of its nuclear development.' Further, they are racing headlong toward nuclear armament and militarism, urged by the design for 'greater East Asia coprosperity sphere.'

"We scathingly condemn the Japanese authorities' shameless dream and reckless design on behalf of our whole nation which hopes for peace of the country and peaceful reunification.

"The Japanese authorities must clearly realise that with no amount of sophism and trick can they hush up their past crimes against the Korean nation and make an understandable apology and compensation.

"The South Korean authorities are also answerable for the Japanese Government's attempt to get off without the liquidation of the past.

"The South Korean authorities, far from demanding an honest apology and compensation of the Japanese Government, are taking a humiliating stance, making sheep's eyes at the Japanese authorities, mumbling about 'overcoming the consciousness of being victims' and 'improvement of relations oriented to the future'.

"The South Korean authorities' humiliating stand and stance toward Japan will be sternly judged by history as a treacherous act of selling off the dignity and interests of the nation. [no closing quotation mark as received]

Human Rights Conference in Japan Reported

SK1211120893 Pyongyang KCNA in English 1036 GMT 12 Nov 93

[Text] Pyongyang, November 12 (KCNA)—A conference of the Japan Federation of Bar Association for the Protection of Human Rights was held on October 28-29 in Kyoto.

At the first sub-committee meeting of the conference for the deliberation of the postwar compensation of Japan there were testimonies of war victims, open discussions and answers to questions.

Korean nation [word indistinct] residing in Jiba Prefecture told about forced slave labour in Tochiki Prefecture after being drafted from his birthplace, the North Chungchong Province.

"At that time the Korean people were forcibly persecuted by the then [word indistinct] postal matter and it mattered nothing although they died on working place," he said. [sentence as received]

Prof. Hiroshi Tanaka at Hitotsubashi University, Associate Prof. Kooki Abe at Kanagawa University and lawyers Koei Nemoto and Akira Murayama said at the open discussions that the past crimes of Japan violated the then international laws including the treaty prohibiting forced labour and the treaty prohibiting woman trade thereby the Japanese Government can not flee from its responsibility.

The declaration adopted at the meeting called for the recovery against the abuses of human rights and urged the Japanese Government to thoroughly probe the truth behind the facts as to grasp the victimized cases and make clear the matter of responspility and take a suitable and possible measure for the recovery of the victims.

KPA Friendship Group Departs for PRC Visit

SK1211083393 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 11 Nov 93

[Text] A friendship tour group of the Korean People's Army [KPA] led by Lieutenant General Ok Pong-nin departed Pyongyang for China by train on 11 November. It was seen off at Pyongyang Station by KPA Lieutenant General Yi Nung-hun; Qiao Zonghuai, PRC ambassador to DPRK; and Liu Jianhua, a military attache at the PRC Embassy.

Secretary Kim Ki-nam Meets XINHUA Delegation

SK1011122093 Pyongyang KCNA in English 1046 GMT 10 Nov 93

[Text] Pyongyang, November 10 (KCNA)—Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly conversation with a delegation of the Chinese XINHUA News Agency led by its first Vice General Director Xia Zanzhong at the Mansudae Assembly Hall.

Present on hand were Deputy General Director of KCNA Song Pong-sun and a councillor of the Chinese Embassy in Korea.

Government Delegation Arrives in Cambodia 7 Nov

SK1111031693 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 8 Nov 93

[Text] The DPRK Government delegation led by Comrade Kang Song-san, premier of the Administration Council, which is to pay an official friendship visit to the Kingdom of Cambodia, arrived in Phnom Penh on the afternoon of 7 November.

Flags of the two countries of the DPRK and Cambodia were hoisted at the airport, and slogans reading, "We enthusiastically welcome the DPRK Government delegation's visit to Cambodia," and "Hurrah for the Cambodia-DPRK friendship," were also posted at the airport. The masses welcomed the delegation, waving flags of the two countries.

Norodom Ranariddh, first premier of the Kingdom of Cambodia; Hun Sen, second premier; Norodom Sirivut, deputy premier and minister of foreign affairs and international cooperation; Chhon Keat, deputy premier and home affairs minister; various ministers; functionaries concerned; Cambodian ambassador to the DPRK; DPRK ambassador to Cambodia; and diplomats from various countries were on hand at the airport to welcome the delegation.

A ceremony to welcome the delegation was held at the airport. After playing the national anthems of the DPRK and Cambodia, the head of the delegation inspected the honor guards of the Army, Navy, and Air Force.

Government Delegation Holds Talks

SK1111085093 Pyongyang KCNA in English 0428 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—Talks between government delegations of the Democratic People's Republic of Korea and the Kingdom of Cambodia were held in Phnom Penh on November 8.

Present at the talks on our side were the members of the DPRK Government delegation led by Premier of the Administration Council Kang Song-san and the DPRK ambassador to Cambodia and on the Cambodian side were Norodom Ranariddh, first prime minister of the Cambodian Government; Hun Sen, second prime minister; Norodom Sirivut, deputy prime minister and minister of Foreign Affairs and International Cooperation; Sar Kheng, deputy prime minister and minister of internal affairs; other ministers; officials concerned and the Cambodian ambassador to Korea.

That day the royal Government of Cambodia arranged a party for the DPRK delegation.

First Prime Minister Norodom Ranariddh in his speech at the party said that the respected leader His Excellency Generalissimo Kim Il-song, president of the Democratic People's Republic of Korea, has always expressed most wonderful and warmest friendship to the king of Cambodia. "The friendly feelings of the valiant Korean people and supreme leaders for the Cambodian people and dignified His Majesty King have always been true, disinterested and kindly, powerful and unequivocal," he noted.

He stressed that the fraternal and steadfast friendship and bonds between the peoples and supreme leaders of Cambodia and Korea are particular and everlasting.

He solemnly affirmed the complete and steadfast support of Cambodia to the most justifiable, wise and patriotic 10-point programme put forward by His Excellency President Kim Il-song for the independent and peaceful reunification of Korea.

He expressed once again full support to the stand of the DPRK Government advanced by the most respected leader of the Korean people for the denuclearisation of the Korean peninsula and to all the steps which have been and will be taken for the complete victory of so valid chuche idea.

Kim Il-Song Replies to WPK Anniversary Greetings

SK1111083893 Pyongyang KCNA in English 0405 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, sent messages to heads of state and party leaders of various countries in reply to their messages of greetings on the occasion of the 48th founding anniversary of the Workers' Party of Korea.

He sent reply messages to Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization; Lansana Conte, president and head of state of the Republic of Guinea; France Albert Rene, president of the Republic of Seychelles; Man Mohan Adhikari, chairman of the Central Committee of the Nepal Communist Party (United Marxism-Leninism); Budragchaagiyn Dashyondon, general secretary of the Mongolian People's Revolutionary Party; H.S. Surjeet, general secretary of the Central Committee of the Communist Party of India (Marxist); Huudu Yahaya, general secretary of the National Democratic Congress of Ghana; Didier Ratsiraka, secretary general of the Madagascan Vanguard of Revolution; Arsene Bongnessan Ye, chairman of the Organization for People's Democracy-Labor Movement of Burkina Faso; Gus Hall, national chairman of the Communist Party of the United States; and Rene Leon Mauge Mosquera, general secretary of the Central Committee of the Communist Party of Ecuador.

In the replies President Kim Il-song expressed the belief that the friendly and cooperative relations between Korea and their countries, between the WPK and their parties would grow stronger and develop in the future.

Kim Il-song Greets Portuguese Communist Party

SK1011121993 Pyongyang KCNA in English 1043 GMT 10 Nov 93

[Text] Pyongyang, November 10 (KCNA)—The great leader President Kim Il-song sent a message of greetings on November 9 to Alvaro Cunhal, chairman of the National Council of the Communist Party of Portugal, on his 80th birthday.

President Kim Il-song expressed the belief that the friendly and cooperative relations between the two parties would continue to expand and develop and wished Alvaro Cunhal and the Communist Party of Portugal new success in their activities to strengthen the party and defend and promote the cause of socialism.

Kim Il-song Greets Angolan Counterpart

SK1011122193 Pyongyang KCNA in English 1045 GMT 10 Nov 93

[Text] Pyongyang, November 10 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings on November 8 to Angolan President Jose Eduardo dos Santos on the 18th anniversary of the independence of Angola.

President Kim Il-song expressed the belief that the friendly and cooperative relations between the two countries would further strengthen and develop, and wished the Angolan president and people success in their work for peace and stability of the country.

Papers Mark Independence Day of Angola

SK1111112793 Pyongyang KCNA in English 1040 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—Papers here today dedicate articles to the independence day of the Angolan people.

Pointing out that the achievement of the independence by the Angolan people was an important event which opened up a new epoch in the history of her people, MINJU CHOSON says in a signed article:

After the independence, the Angolan people have made success in their struggle to defend the sovereignty of the country and build a new life, smashing the repeated armed invasion and sabotages and subversive activities of the racists and domestic reactionaries.

They are now endeavoring to achieve the stability of the country, rehabilitate the destroyed economy and develop the national economy.

The Korean people congratulate the Angolan people on their achievements in the efforts to build a new life.

Korea and Angola have long forged the bonds of friendship.

The Korean people believe that the relations between the two peoples forged in the struggle for independence against imperialism will grow stronger and develop in various domains and wish them greater success in their struggle for the stability and peace of the country.

Danish Party Leaders Meet WPK Delegation

SK1011112193 Pyongyang KCNA in English 1036 GMT 10 Nov 93

[Text] Pyongyang, November 10 (KCNA)—Preben Moller Hansen, chairman of the Danish Workers' Party, Common Cause; Klaus Riis, chairman of the Danish Communist Party (Marxist-Leninist); Betty Frydensbjerg Carlsson, president of the Communist Forum of Denmark; and Steen Christensen, general secretary of the Social-Democratic Party of Denmark, expressed solidarity with the Korean people in their struggle for national reunification when they met with a delegation of the Workers' Party of Korea [WPK] headed by Yi Yong-su, vice-director of a department of the C.C. [Central Committee], WPK, over November 1-4.

The Chairman of the Danish Workers' Party, Common Cause, voiced full support and solidarity for the Korean people's socialist construction and struggle to reunify the country under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

He said he keenly felt during his visit to Korea that the respected leader Comrade Kim Il-song is a great statesman giving lucid answers on the basis of his scientific analysis and judgment on the international situation and that the cause of the WPK led by the dear leader Comrade Kim Chong-il is a paragon for all the communists of the world and, accordingly, it is natural for them to follow the line of the WPK.

The president of the Communist Forum of Denmark said the Korean people are firmly defending the banner of socialism now because they have the WPK guided by the great leader and the dear leader.

He said his forum would make every effort to support and encourage the Korean people's cause of justice, joining force with the world's revolutionary forces.

Party Greets Communist Party of Denmark Leader

SK1211115793 Pyongyang KCNA in English 1053 GMT 12 Nov 93

[Text] Pyongyang, November 12 (KCNA)—The Central Committee of the Workers' Party of Korea sent a message of greetings on November 7 to Betty Frydensbjerg Carlsson upon her election as chairperson of the Communist Party of Denmark.

Expressing the belief that the friendly and cooperative relations between the two parties will develop favorably, the message wished her great success in her work to expand and strengthen the party ranks and defend the democratic rights and interests of the working masses.

WPK, Ecuadoran Party Issue Joint Statement

SK1111083593 Pyongyang KCNA in English 0422 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—A joint statement of the Workers' Party of Korea and the Socialist Party of Ecuador was published here on November 8.

The joint statement says:

A delegation of the Socialist Party of Ecuador led by General Secretary Victor Granda Aguilar visited the Democratic People's Republic of Korea from October 22 to November 8, 1993 upon the invitation of the Central Committee of the Workers' Party of Korea.

The great leader Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received and had a friendly talk with the delegation.

During the visit, talks were held between delegations of the Workers' Party of Korea and the Socialist Party of Ecuador.

At the talks, the sides informed each other of the conditions and activities of their parties and exchanged views on the question of further development of relations between the two parties and international issues of mutual concern.

The Workers' Party of Korea noted with high appreciation that the Socialist Party of Ecuador opposes imperialism and monopoly capital and advocates a genuine socialist revolution for the working masses while fighting to expand the political foundation of the party among broad segments of the masses and actively working for the unity and cohesion of the socialist parties in Latin America.

The Socialist Party of Ecuador highly lauded the Workers' Party of Korea and the Korean people for confidently promoting the cause of socialism without vacillation in face of challenges and obstructions of the imperialists.

The Socialist Party of Ecuador expressed full support and solidarity for the Korean people's struggle to reunify the country independently and peacefully on the principle of national independence under the banner of "10-point programme of the great unity of the whole nation for the reunification of the country" published by the great leader Comrade Kim Il-song.

The sides reaffirmed their unshakable will to conduct party building and activity in keeping with the specific conditions of their countries in the spirit of the Pyongyang declaration and further strengthen international solidarity and cooperation with all progressive parties of the world advocating socialism on the principle of independence and equality.

Paying great attention to the fact that although the cold war has ended, the arbitrariness of the imperialists interfering in the internal affairs of other nations and wantonly violating their sovereignty in international relations is getting more pronounced, the sides reaffirmed their common will to actively fight against all manner of domination, subjugation and inequality and for the democratization of the international community.

Considering that keeping military bases and troops in other countries is tantamount to violating the sovereignty of those countries and infringing on their territorial integrity and going against the trend of the present times toward independence, the sides contended that all military bases must be dismantled in different parts of the world, foreign troops be withdrawn and the nuclear weapons deployed in and around the Korean peninsula be abolished without delay.

Party Sends Greetings to Irish Workers' Party

SK1211115293 Pyongyang KCNA in English 1100 GMT 12 Nov 93

[Text] Pyongyang, November 12 (KCNA)—The Central Committee of the Workers' Party of Korea on November 12 sent a message of greetings to the extraordinary convention of the Workers' Party of Ireland.

Expressing the belief that the convention would greatly contribute to the activity of the party for further strengthening its unity and cohesion and guaranteeing the independent development of the country and democracy, the message wished success to the convention.

Foreign Parties Greet WPK Central Committee

SK1011111493 Pyongyang KCNA in English 1010 GMT 10 Nov 93

[Text] Pyongyang, November 10 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] received messages of greetings from 'Abdallah al-Ahmar, deputy general secretary of the Arab Socialist Ba'th Party of Syria; Donald Ramota, executive secretary of the People's Progressive Party of Guyana; Alberto Nangane, first secretary of the Djibouti County Committee; Gaza Province, of the Mozambique Liberation Front Party; and Arnljot Ask, international secretary of the Workers' Communist Party of Norway, on the occasion of the 48th founding anniversary of the WPK.

Saying the achievements made by the Workers' Party of Korea in the past 48 years have deeply moved the progressive people worldwide, they state that they will invariably stand by the WPK which is waging an energetic struggle for the victory of the cause of independence against imperialism and for a better socialist system for the Korean people.

The messages wish the Workers' Party of Korea and the Korean people guided by the dear leader Comrade Kim Chong-il greater success and victory in their endeavors for the completion of the socialist construction and the reunification of the country and express firm solidarity with it.

Solidarity Meetings Held in Many Countries

SK1111110093 Pyongyang KCNA in English 1030 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—Solidarity meetings were held in Syria, Peru and Guinea on the occasion of the month of support to the proposal for founding the Democratic Confederal Republic of Koryo [DCRK].

President of the National Executive Committee of the Left Revolutionary Union of Peru, Angel Castro Lavarello, said in a speech that the single-hearted unity of the leader, the party and the masses based on the chuche idea is the firm guarantee of the Korean-style socialism and the country's reunification.

Noting that the three principles of national reunification, the proposal for founding the DCRK, the 10-point programme for the great unity of the whole nation indicate the most reasonable formula reflecting the aspiration of the Korean people, he expressed full support to them. Amin Asfar, secretary of the Hama provincial leadership of the Arab Socialist Ba'th Party of Syria, in a speech said he highly appreciated the struggle of the Korean people to ensure peace in the Korean peninsula and achieve the peaceful reunification of the country in accordance with the policy of his excellency President Kim Il-song.

Mamadou Ali Sampil, chairman of the Guinean Committee for Supporting Korea's Reunification, in a speech held that the difference of idea and system must not be an obstacle to the attainment of the reunification of a homogeneous nation and urged the South Korean authorities to join in achieving the independent and peaceful reunification of the country.

A letter and messages to the great leader President Kim Il-song were adopted at the meetings.

Solidarity functions were held in Guyana, Denmark, Zimbabwe, Libya, Egypt and Czech.

Letters to President Kim Il-song and Comrade Kim Chong-il were adopted at the meeting held in Guyana.

Meeting Marks Anniversary of Syrian Movement

SK1111083693 Pyongyang KCNA in English 0413 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—A meeting was held here on November 10 on the occasion of the 23rd anniversary of the rectification movement in Syria.

Invited to the meeting were Syrian Ambassador to Korea Yasir Farra, embassy officials and Syrian students studying here.

Present there were Minister of Finance and Chairperson of the Korea-Syria Friendship Association Yun Ki-chong, Vice-chairman of the Committee for Cultural Relations with Foreign Countries Yi Chol-sin, secretary of the Pyongyang Municipal Committee of the Workers' Party of Korea Pak In-kon, officials concerned and working people in the city.

Speeches were made by Minister of Finance Yun Ki-chong and Ambassador Yasir Farra at the meeting.

The meeting adopted a letter to the Syrian president.

Madagascar, Spain Publish Bulletins on Country

SK1111110393 Pyongyang KCNA in English 1024 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—A special issue of bulletin "Seed" was printed on November 4 by the Malagasy Institute for the Study of Chuche-Based Idea on Literature and Art.

The bulletin edited the immortal classical works of the great leader President Kim Il-song "Report to the Sixth Congress of the Workers' Party of Korea on the Work of the Central Committee" and "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country".

In the preface it said the proposal for reunification through confederation advanced by President Kim Il-song is the great and lofty program indicating the way of reunification to the entire Korean people.

Earlier, bulletin "For One Korea Reunified and Independent" was printed jointly by the Spanish Committee of the Organization of Solidarity of the Peoples of Africa, Asia and Latin America and the Spanish Committee for Supporting Korea's Reunification.

Edited in it are articles titled "Who Really Wants Settlement of 'Nuclear Problem' in Korea?" and "Frightful Fabrication of a 'Letter' of U.N. Secretary General Slandering the DPRK", and news that the international solidarity movement was conducted in different countries of the world on the occasion of the month of support to the proposal for founding the Democratic Confederal Republic of Koryo.

Cuba Workers Center Secretary Defends Socialism

SK1111110493 Pyongyang KCNA in English 1013 GMT 11 Nov 93

["Socialism Sure To Triumph"—KCNA headline]

[Text] Pyongyang, November 11 (KCNA)—Secretary of the Centre of Cuban Workers Joaquin Bernal Camero said the socialism of Korea is vigorously advancing under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Thanks to the invincible might of unity of the leader and the people the socialism of Korea advances, not wavering under the pressure and obstructive moves of the imperialists, he said, and went on:

The Cuban workers extend full solidarity with the Korean people in their struggle to resolutely defend the cause of socialism.

Bourgeois politicians loudly talk about "democracy" and "freedom", but it is no more than a lie to deceive the people.

The present reality in which a large number of laboring people are left jobless and groaning in hunger and poverty in those countries where socialism has been frustrated proves that socialist society is a genuine one for people.

Although the road of socialism is long to cover and arduous, socialism, the noble cause of people, is sure to win victory, he stressed.

Ecuadoran Delegation Gives Impressions of DPRK

SK1111110693 Pyongyang KCNA in English 1020 GMT 11 Nov 93

["Korea Will Shed Rays as Beacon of Mankind Forever"—KCNA headline]

[Text] Pyongyang, November 11 (KCNA)—Members of a delegation of Guayaquil University of Ecuador gave their impressions of Korea when interviewed by KCNA.

Head of the delegation Galos Cantos Lopez, dean of a faculty of the university, said during his visit he could witness at first hand the great vitality of the chuche idea which was founded by the great leader President Kim Il-song and is being developed and enriched by the dear leader Comrade Kim Chong-il.

"The amazing successes made by the Korean people in socialist construction in a short period after the war were beyond imagination," he said, and added:

"This reality practically shows that man is the master of everything and is responsible for his own destiny."

"In Korea, everyone is struggling for the accomplishment of the cause of socialism with a sound thinking ability and clean spirit as primary importance is attached to ideological education."

He said the validity of the socialist cause could be proved once again through the reality of Korea.

Gualpa Sonia, a member of the delegation, said that the Korean revolution would make a long drive without any vacillation in face of any obstructive moves of the imperialists as it is guided by the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il stands in its van and Korea would shed rays as a beacon of mankind for ever.

Austrian Business Delegation Arrives 11 Nov

SK1111222293 Pyongyang KCNA in English 1503 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—A delegation of the Nordex Co. of Austria headed by its Director Georgi Ruchanski arrived here today at the invitation of the Committee for the Promotion of External Economic Cooperation.

It was met at the airport by Kim Chong-u, chairman of the committee.

Kim Il-song's Reminiscences Studied Abroad

SK1211115393 Pyongyang KCNA in English 1032 GMT 12 Nov 93

[Text] Pyongyang, November 12 (KCNA)—Reminiscences of the great leader President Kim Il-song "With the Century" was introduced by the Russian paper "PATRIOT" and the Mongolian paper "ULAANBAATAR".

Seminars on the reminiscences were held by the central Accra branch of the Ghanian National Institute of the Chuche Idea and the Malagasy Institute for the Study of Chuche-Based Idea on Literature and Art.

The speakers said respected President Kim Il-song set out on the road of the revolutionary struggle in his early years for the freedom and happiness of the people and national liberation and he is devoting his all to the people, always placing them on the centre.

President Kim Il-song has built socialism centred on the masses in Korea and is administering politics for the people, they said, and stressed: Herein lies the secret of singlehearted unity of the Korean centering on the leader.

'Unquestioned Trust' in Kim Chong-il Viewed

SK1011111693 Pyongyang KCNA in English 1023 GMT 10 Nov 93

[Text] Pyongyang, November 10 (KCNA)—Our people's trust in the dear leader Comrade Kim Chong-il is the purest and noble ideological feeling of entrusting all destinies entirely to the leader, an unshakable ideological feeling and faith based on a deep understanding of the greatness of his feats and an unquestioned belief that they can hew out their destiny and future when they follow the leader. This is the very kernel of the ideological and spiritual trait of our people advancing under the uplifted banner of socialism and a source of all miracles in present-day Korea.

In a by-lined article titled "To Follow Illustrious Leader With Unquestioned Trust is Noble Trait of Our People" NODONG SINMUN today says this, characterizing our people's boundless respect and reverence for and trust in Comrade Kim Chong-il.

The article goes on:

The idea of worshipping and trusting in the illustrious leader is being displayed at a noble height because our people have got grasps on the greatness and trait of the leadership, noble virtues and immortal exploits of the dear leader Comrade Kim Chong-il.

The great leader Comrade Kim Il-song has said:

"Comrade Kim Chong-il is respected and loved by the people as their leader for his leadership ability, trait, loyalty, devotion and exploits and has high authority."

The dear leader Comrade Kim Chong-il is the leader true to the people who is possessed of rare wisdom, tested leadership ability, unbounded simple, noble virtues and personality.

Our people are absolutely trusting and following him because they are entirely captivated by him as a man.

His bosom is so warm that all the revolutionary people like to be embraced by him and entrust all their destiny entirely to him for his extraordinary ideological and theoretical wisdom, wise leadership and noblest virtues.

It is the unanimous creed of our people that they cannot live a moment apart from his care.

Our people absolutely trust Comrade Kim Chong-il because they have deeply understood the greatness of the feats performed by him in leading revolution and construction.

Today the people's trust in the illustrious leader has become unquestioned because he has made historical contributions to the country and the people and the time and revolution, weathering through the rigorous storms of revolution.

Our people, whenever looking back with pride upon the path of revolution covered under the leadership of the illustrious leader, are convinced more deeply that as long as they are guided by him, there is nothing fearful or impossible in the world.

Our people's trust in the illustrious leader comes from the unquestioned belief that Comrade Kim Chong-il is taking care of their destiny and future on his own responsibility.

His love for and trust in the people is the main characteristics of his politics.

Our people are actively following his politics, regarding it as that of affection, trust, broad-mindedness and humanity.

It is an unshakable creed of life of our people that their destiny and future, any worthwhile life and honor are unthinkable apart from the bosom of the dear leader Comrade Kim Chong-il.

Our people's trust in him which has been formed and consolidated in the historical process of overcoming immeasurable difficulties and ordeals remains unchanged and unbreakable no matter how the time passes.

Seminar on 'Greatness' of Kim Chong-il Held

SK1211124293 Pyongyang KCNA in English 1002 GMT 12 Nov 93

[Text] Pyongyang, November 12 (KCNA)—A seminar on the greatness of Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA] , was held by the Ministry of People's Armed Forces on November 11.

Member of the Political Bureau of the Central Committee of the Workers' Party of Korea and Chief of the General Staff of the Korean People's Army Choe Kwang, Vice-Marshal of the KPA Kim Kwang-chin and General of the KPA Yi Pong-won made speeches at the seminar.

Speakers said that Comrade Kim Chong-il is a prominent thinker and theoretician who is exalting the chuche idea as a great guiding idea in the era of independence.

They proved that Comrade Kim Chong-il is a great leader who has opened a new upsurge in all fields of revolution and construction.

Especially, he has brought a historical victory, smashing the frantic moves of the enemies at every step and turning a misfortune into a blessing and adversity into a favourable condition with his extraordinary and tested leadership, they stressed.

And he is a great leader of people who has personified all traits of the leader of revolution at highest level, they noted.

Kim Chong-il Study Society Formed in Japan

SK1111110193 Pyongyang KCNA in English 1025 GMT 11 Nov 93

[Text] Tokyo, November 9 (KNS-KCNA)—The inaugural meeting of the Okayama, Japan, Society for the Study of Works of Kim Chong-il took place in Okayama City on October 22.

Shinichi Watanabe, member of the Okayama Prefectural Assembly, was elected advisor, and Yoshinobu Suyama secretary general.

Countryside Farms Report 'Bumper Harvest'

SK1211115593 Pyongyang KCNA in English 1046 GMT 12 Nov 93

[Text] Pyongyang, November 12 (KCNA)—A rich harvest was reported from co-op farms across the Democratic People's Republic of Korea.

It is expected to turn out some 30,000 to 50,000 more tons of grain than 1992 respectively in Sukchon, Mundok and Pyongwon Counties, 20,000 to 30,000 tons in Chungsan, Onchon and Taedong Counties and about 10,000 tons in Anju, Kaechon and Sunchon Cities, of South Pyongan Province where thrashing is at the final stage.

In particular, the Yakjon and Yoltusamchon co-op farms in Sukchon County have reaped 14.5 tons of rice per hectare on an average, 15 tons at maximum and the Wonhwa co-op farm in Pyongwon County 16 tons of maize per hectare.

Unjon and Yomju Counties, North Pyongan Province, produced 20,000 more tons of grain than last year.

Co-op farms in Kaesong municipality and North Hwanghae Province, too, harvested 1,150 more kg of rice and 1,460 more kg of maize per hectare than last year.

The bumper harvest this year is attributable to the chuche method of farming.

Account Settlement Meetings Held on Farms

SK1111112993 Pyongyang KCNA in English 1044 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—Meetings of year-end account settlement and income distribution were held on different cooperative farms of the Democratic People's Republic of Korea. Agricultural working people across the country have brought in bumper crops by doing all farming processes on a scientific and technical basis as demanded by the chuche-method of farming. The Chongsan cooperative farm, Kangso district, Nampo municipality, which the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il visited on several occasions, and the Mangyongdae cooperative farm on the outskirts of Pyongyang were the first to hold meetings of year-end account settlement and income distribution Wednesday.

The Chongsan cooperative farm overfulfilled the plan of grain production by 14.4 percent, vegetables by 12 percent, meat by 8 percent, fruit by 23 percent and cocoons by 5.6 percent this year.

The farm harvested 9.1 tons of rice and 10.6 tons of maize per hectare on an average.

The Mangyongdae cooperative farm yielded 9.8 tons of rice and more than 11 tons of maize per hectare on an average.

The farm has overfulfilled the production plans of vegetables, meat and fruit.

A large share of grain and cash went to each farmer at the meetings.

Daily on Superiority of Election System

SK1111103793 Pyongyang KCNA in English 1010 GMT 11 Nov 93

[Text] Pyongyang, November 11 (KCNA)—NODONG SINMUN today describes the election system of the DPRK as the most superior one which fully guarantees the free expression of the masses in elections and allow them to exercise their legitimate sovereignty as masters of the state and society.

The paper in a by-lined article elaborates on the advantages of the democratic and popular election system of the DPRK.

The great leader Comrade Kim Il-song is quoted as saying:

"Ours are the most democratic and progressive elections which enable all the working people including the workers and peasants to take part in the work of the organs of their state power with equal rights as true masters of the country."

The article continues:

The superiority of our election system lies, first of all, in that the noble purpose of the elections is the strengthening of the political and ideological unity and cohesion of the whole society.

The politics of the DPRK shaped by the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il is man-centred politics, politics of true independence, democracy, unity and benevolence to defend and realise the demands of the working masses for independence and their interests. Hence, the noble purpose of the election system of the DPRK is to consolidate as firm as a rock the revolutionary government of the working masses including workers, peasants and intellectuals and further strengthen the single-hearted unity of the whole society through the elections.

The superiority also lies in that all citizens are allowed to freely participate in the elections with equal rights and qualifications.

In the DPRK, all the citizens of and above 17 years of age have the right to vote and the right to be elected on the principles of universal and equal election, irrespective of sex, nationality, occupation, period of residence, property status, education, party affiliation, political view and religious belief.

In the DPRK anyone who is faithful to the country and the people and competent can be elected representative of the people to a power body of any level. There is no other standard and condition.

The election system of the DPRK is peculiar and superior in the procedure and method of election.

In the DPRK, candidates for deputies to people's assemblies at different levels are recommended at meetings of voters for examining the qualification of the candidates of residential quarters, organs, enterprises, cooperative bodies, schools and military units. At the meetings of voters, candidates are recommended and registered in a democratic way at the general will of voters. In the elections, the registered candidates are voted for or against through direct and secret voting.

The method of nominating the candidates and electing them in the DPRK is an excellent embodiment of socialist democracy. The voters' will is fully reflected in the results of the elections.

The superiority is also found in the creation of an adequate atmosphere of free election.

In the DPRK the voters directly participate in the elections and express their will on the principle of direct and secret voting.

The DPRK provides all conditions for all voters including those who cannot go to the polling booths to take direct part in the voting and express their will through the organisation of sub-constituencies and circulation of mobile ballot boxes at the time of elections. The ballot room is kept as a secret room to keep off outside factors and the impartiality is ensured to the maximum in the course of ballot-counting.

NODONG SINMUN Calls for Self-Reliance

SK1011111893 Pyongyang KCNA in English 1031 GMT 10 Nov 93

[Text] Pyongyang, November 10 (KCNA)—NODONG SINMUN today in an editorial calls upon all the party members and other working people to push ahead with socialist construction in the high revolutionary spirit of self-reliance against the undisguised moves of the imperialists to isolate and stamp out Korean-style socialism.

Giving full play to the revolutionary spirit of self-reliance is a firm guarantee for thoroughly implementing the revolutionary economic strategy of our party and fulfilling the enormous plan for this year with credit, the editorial says, and continues:

When we advance in the same spirit as the whole party and all the people did while courageously struggling under the slogan of self-reliance and fortitude in hearty response to the order of our Supreme Commander Comrade Kim Chong-il during the past semi-war time, we are able to foil the schemings of the imperialists and reactionaries to stifle us economically and defend Korean-style socialism with credit.

In order to hasten socialist construction under the slogan of self-reliance it is imperative to concentrate strenuous efforts on such key domains of the economic construction as coal, electric and metal industries and strengthen the struggle for increased production and economy in all fields.

It is of particular importance to bring home to the masses that the only way out is self-reliance under the situation where the imperialists have intensified political, economic and military pressure upon the DPRK as never before.

South Korea

U.S. Official Cited on Dialogue With North

SK1111020493 Seoul YONHAP in English 0154 GMT 11 Nov 93

[Text] Washington, Nov. 10 (YONHAP)—The United States will end dialogue with North Korea and take steps for U.N. sanctions unless North Korea can persuade the international community that it is not developing nuclear weapons, Undersecretary of State Lynn Davis told a House committee Wednesday.

"President (Bill) Clinton made clear that North Korea cannot be allowed to develop a nuclear bomb," said Davis. "We are thus working closely with the International Atomic Energy Agency [IAEA], Japan and South Korea, and other interested parties..."

"This is not an easy process," the undersecretary told the House committee on foreign affairs.

While strengthening the global nuclear non-proliferation regime is vital, country-specific approaches are necessary, he said.

North Korea's recent behavior has been disappointing, especially its non-compliance with IAEA inspection requests, but the United States "has made clear its readiness to address legitimate North Korean concerns," he said.

"But unless (North Korea) takes the necessary steps to persuade the world community that it is not pursuing a nuclear weapons option, we will have no choice but to terminate the bilateral U.S.-DPRK (North Korea) dialogue and pursue further steps in the U.N. Security Council," he said.

Newspapers Analyze 9 Nov U.S.-DPRK Contact

SK1111065993

[Editorial Report] ROK vernacular newspapers carry reports and editorials reacting to the 9 November U.S.-North Korean working-level contact in New York over the nuclear issue.

The moderate CHOSON ILBO in Korean on 11 October on page 3 carries a 1,000-word article by reporter Pak Tu-sik giving an overall review of the process of negotiations on the nuclear issue. The article stresses the keen confrontation between the United States and North Korea over the nuclear issue, noting that "the ROK and the United States began to actively discuss measures against the North Korean nuclear issue in preparation for the time when it is believed that they cannot solve the problem by only being patient," and that North Korea never changes its hard-line policy toward the issue.

Citing President Kim's remarks in the 10 November security meeting, the article notes the possibility that the 23 November Washington summit between Presidents Kim and Clinton will put an end to the nuclear issue "by passing it on to the UN Security Council for final action [paldong] by the Council."

Noting that "North Korea asks the United States to give it time," the article reports people's expectation that "North Korea will change its attitude toward nuclear inspections by the International Atomic Energy Agency after the 15 November convention of the Workers Party of Korea." The article, however, doubts that this expectation will be met, noting that "It has been revealed that North Korea has neither the intention nor the ability to resolve the nuclear issue."

The moderate HANGUK ILBO in Korean on 11 November on page 3 carries a 900-world editorial criticizing the government's "ambiguous and enervated policy toward the North Korean nuclear issue." The article notes people's disappointment with the government, which "does not clearly show its basic policy and method to resolve the nuclear issue despite North Korea's stern refusal of allowing nuclear inspections." The article reminds the government that the nuclear question is not only an issue between the United States and North Korea but our nation's issue," and urges it to "clearly show its firm policy toward the nuclear issue and the role that the ROK will play in resolving it in the future."

HANGUK ILBO on 11 November on page 3 also carries a 1,100-word article by reporter Chong Pyong-chin regarding the government's reaction to the recent New

York contact between the United States and North Korea. The article cites an unidentified government official's remarks that "North Korea is still insisting on contacts with the United States because the United States has not mentioned a deadline for the nuclear issue," and that "North Korea must have tried to sound the U.S. position regarding this," and notes that the government considers the 9 November New York contact meaningful because "North Korea must have roughly understood that it does not have much time to make a decision on the nuclear issue," as a series of international talks, including the upcoming ROK-U.S. summit talks, which "can put an end to the nuclear issue," has been scheduled.

The moderate TONG-A ILBO in Korean on 11 November on page 3 carries a 1,200-word article by Washington-based correspondent Nam Chan-ho analyzing the 9 November U.S.-North Korean contact. The article reports that "It has been learned that the two sides reached a considerable level of understanding each other's position toward the nuclear issue" in the contact.

The article points out that "When the nuclear monitoring equipment in North Korea ceases to operate soon, the U.S. position on the U.S.-North Korean negotiations will become stronger," and that "The U.S. strong position expressed in President Clinton's 7 November interview with NBC seems to be exerting great influence upon North Korea."

While anticipating "The United Sates and North Korea will have more frequent contacts in New York in the future," the article reports that the majority of the people are optimistic on the prospect of negotiations on the nuclear issue.

The moderate KYONGHYANG SINMUN in Korean on 11 November on page 3 carries a 900-word article by Washington-based correspondent Kim Hak-sun studying the U.S. policy toward nuclear negotiations with North Korea. The article reports that "The United States does not believe that the nuclear issue is not the reason for North Korea's recent reinforcement of military forces" and reports Washington's analysis that "Judging from its initial proposal for the New York contact with the United States, North Korea maintains the basic attitude of solving the nuclear problem through dialogue."

While reporting that "some optimistic observers estimate that North Korea might express its intent to accept nuclear inspections in its last contact with the United States," the article concludes that "The ball is still on the North Korean court."

The pro-government SEOUL SINMUN in Korean on 11 November carries on page 3 an 800-word editorial entitled "Is There Not a Loophole in the Awareness for Defense and National Security?" Citing various recent foreign press reports on mounting tensions on the Korean peninsula, the editorial notes that the time to impose the UN sanctions against North Korea has arrived. The editorial, noting the danger of the North's possible provocation, warns, "It is the time to review whether there is a loophole in our awareness of the North-South confrontation, national defense, and national security. The majority of the South Korean people, including some experts, tend to be optimistic about the situation on the Korean peninsula despite the world's apprehension." The editorial calls on the government "to make its people aware of the present security situation so that they will not slacken their vigilance against North Korea."

SEOUL SINMUN on 11 November carries on page 5 a 1,100-word article by reporter Kim Yong-man entitled "The Significance of the 10 November Meeting of the Security-related Ministers at Chongwadae [presidential residence]." Quoting President Kim's 10 November remark that he and President Clinton will work out final steps on the North's nuclear issue at the 23 November summit, the article notes, "Such remark is much the same as announcing that our government will play a leading role in resolving the North Korea's nuclear issue, which was in the hands of the International Atomic Energy Agency and the United States. Its main goal is displaying the government's will, preparing against a possible situation, as the party immediately concerned."

SEOUL SINMUN on 11 November carries on page 5 a 1,100-word article by Washington-based correspondent Yi Kyong-su entitled "Washington in Which the Voices Calling for 'the Stick' Gather More Strength." Citing President Clinton's recent remarks and the State Department spokesman's remark that there is a practical deadline for North Korea, the article notes that the United States, discarding the carrot, is now concentrating on how to use the stick on North Korea for settling the nuclear issue. The article elaborates on the measures worked out by hard-liners inside the State Department and the Defense Department. The article says they are "imposing economic sanctions against North Korea in stages, including cutting off money flow from the Chongnyon [the General Association of Koreans Residing in Japan]; adopting a resolution for economic sanctions for a certain period of time; imposing strong economic embargo, such as banning the shipments of petroleum; and conducting a limited strike on the North's nuclear facilities or blocking the North Korean ports, which are the worst-case-scenario." The article analyzes the reason for hard-liners gaining more ground are, "The notions that it is difficult to sustain the nuclear safety any longer and that the United States will be dragged into North Korea's plot to earn more time for the nuclear weapon development as long as negotiations with North Korea continue." The article notes "in any event, the basic position of the United States that the nuclear issue has to be resolved through negotiations has not changed yet."

The radical HANGYORE SINMUN in Korean on 11 November carries on page 3 a 1,000-word article by Washington-based correspondent Chong Yon-chu entitled "Finding a Clue To Break North Korea's Stalemated Nuclear Issue." Commenting on the 9 November U.S.-North Korea contact held in New York, the article notes that "the contact gave a clue to break the deadlocked nuclear issue" and that "the New York contact served as a momentum in which North Korea and the United States shared the understanding that the two sides should avoid the catastrophe." Noting that the two sides came to share the notion that they have nothing to gain from the current situation, the article says, "There is a high possibility that the United States and North Korea will show gestures totally different from the reportedly strong position taken by the two sides."

The moderate CHUNGANG ILBO in Korean carries on page 3 a 1,200- word article by Washington-based correspondent Chin Chang-uk entitled "The Time To Impose Sanctions Against the North's Nuclear Issue Is Imminent." While reporting that hard-liners are gathering strength in the United States, the article notes that the U.S. State Department hinted on imposing sanctions against North Korea "within days." Predicting that the deadline for North Korea will be decided at the Asia-Pacific Economic Cooperation [APEC] summits with CPC General Secretary Jiang Zemin and President Kim Yong-sam, the article notes that the summits, slated to be held in 10 days, will serve as a momentum in which a practical measures, not a warning, will be taken against the North's nuclear issue. The article says "Some predict that the deadline will likely be late-November or early-December, considering North Korea will be given one week after the APEC summits in case it changes its position, including its acceptance of the nuclear inspections."

Possibility of 'Package Deal' Viewed

SK1211113393 Seoul CHUNGANG ILBO in Korean 12 Nov 93 p 3

[Editorial: "A Precondition for a Package Settlement of the North Korean Nuclear Issue"]

[Text] North Korea is now openly talking about the method of a "package settlement," which has been unofficially discussed during U.S-North Korean negotiations to resolve the North Korean nuclear issue. There is no sign that North Korea has changed its attitude in terms of the contents of the statement issued by Kang Sok-chu, vice minister of the North Korean Foreign Ministry, who attended negotiations with the United States. He, instead, showed that North Korea will try to continue a dialogue with the United States.

North Korea has demanded in the statement that the United States hold the third North Korean-U.S. high-level talks to discuss the settlement of the nuclear issue by a package deal, saying that "if the United States acts practically and abandons its nuclear threat policy and abandons its policy of regarding North Korea as enemy," the issue will be resolved. Nevertheless, it has not talked, even a little, about the preconditions demanded by the ROK and the U.S. Governments. It has ruled out the issues of the North-South dialogue and the inspection by the International Atomic Energy Agency [IAEA], which are the preconditions for the third round of high-level talks with the United States.

It seems this is because North Korea wants to make a gesture of dialogue for the benefit of public opinion throughout the world, which is requesting sanctions against North Korea, and that North Korea intends to send the ball to the court of the United States and the IAEA to gain time. Such an intention by North Korea has already been publicly revealed in the statement saying that "the ball is now in the court of the United States and the IAEA."

We must not be dazzled by such a strategy of the North side, but we cannot but pay attention to the fact that the method of a package solution, which was unofficially discussed in the past, has been officially discussed. This method includes establishing diplomatic relations with the United States, supporting North Korea for the replacement of nuclear reactors with light-water reactors, and suspending the Team Spirit exercise. This indicates North Korea is trying to get everything from the United States by only solving the nuclear issue.

The United States has said that although it can negotiate with North Korea on supporting the replacement of nuclear reactors with light-water reactors and on suspending the Team Spirit exercise in connection with the nuclear issue, it cannot discuss the establishment of diplomatic relations with North Korea. This is because if the United States meets all the demands by North Korea to solve only the nuclear issue, it will be difficult to solve the problems regarding the missiles as well as biochemical weapons—which are dangerous elements in the world—that North Korea now possesses. Also it will be difficult to solve the human rights problem.

We cannot rule out the possibility that North Korea may raise unreasonable issues during negotiations to resolve the nuclear issue through a package deal, judging from North Korea's habitual practice to date. Even the phrase "the United States should abandon its policy of regarding North Korea as an enemy" alone contained in the statement by Vice Minister Kang picks a quarrel with the U.S. Government regarding its diplomatic policy toward the ROK, thus calling for the withdrawal of U.S. troops from South Korea and for the suspension of the Team Spirit exercise.

Therefore, all these problems must be solved first in order to resolve the North Korean nuclear issue through a package deal. If these problems are not resolved, a vicious cycle in which we must face new demands by North Korea after its previous demands are met one-by-one, will likely continue. This has been proven during negotiations between the United States and North Korea.

North Korea must be aware of the fact that it should hold a North-South dialogue and accept inspection by the IAEA—which are the preconditions for the third North Korean-U.S. high-level talks—in order to discuss the method of a package solution.

U.S. Report on Forces in South Korea Cited

SK1111014193 Seoul YONHAP in English 0119 GMT 11 Nov 93

[Text] Washington, Nov. 10 (YONHAP)—A U.S. Defense Department report obtained Wednesday said U.S. Forces in South Korea have to be more able to receive reinforcements, and urged the securing of alternative ports and facilities.

The department's audit report recommendations say that the U.S. Forces Korea must "develop alternative planning for the reception, staging and onward movement of deploying forces as part of the planning forces."

Specifying areas for revision, the report lists alternative ports for arriving forces, full availability of material handling equipment and associated personnel in sufficient quantities, alternative real estate and facilities for the deploying forces, and sufficient transportation assets.

The report also proposes that the U.S. Forces Korea (USFK) designate an official to oversee the U.S. Forces' wartime terrain requirements.

"We recommend that the commander, 7th U.S. Air Force, identify solutions to alleviate shortages of facilities and real estate for aircraft and personnel...," the report says.

USFK already took steps to correct deficiencies in ability to receive augmentation forces, according to the report.

One of them is the ongoing negotiations for a memorandum of understanding that will provide material handling equipment support, it says.

U.S. Forces and the South Korean Government are "formalizing contractual wartime exemptions of Korean national stevedore personnel and equipment from South Korean mobilization," it says.

"USFK has procured, using Republic of Korea Gulf war funding, additional heavy equipment railcars and updated its data on bridge, tunnel and rail limitations," the report says.

U.S. Ambassador Urges Rice Market Opening

SK1111032293 Seoul YONHAP in English 0257 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—U.S. Ambassador to Seoul James Laney has urged South Korea to make concessions so that the Uruguay Round [UR] negotiations can be settled by the year-end, agricultural officials said Thursday.

Conclusion of the multilateral trade accord within the year is most desirable for the sake of the world economic progress, Laney was said to have told Agriculture, Forestry and Fisheries Minister Ho Sin-haeng during a call Wednesday to get acquainted. The ambassador took up his post late last month.

The new American envoy is said to have strongly urged Korea to open its rice market, obviously in consideration for the Nov. 15 deadline for submission of the country schedule.

Experts say opposition to agriculture and financial market opening by countries like Korea is the biggest stumbling block to the UR negotiations.

Washington has reportedly instructed its envoys in negotiating countries to deliver its position with mounting doubts over the possibility of conclusion of the global trade agenda next month as planned.

Ho reiterated that Korea cannot afford to open its rice market due to its economic and social circumstances and stressed that its case is different from Japan's. Tokyo is said be close to deciding to accept rice imports either by minimum market access or deferment of tariffication that can allow government subsidization.

Ho told Laney that it would be better not to discuss the rice issue in upcoming Uruguay Round negotiations, but deal with it in another round.

Government To Support Agent Orange Suits

SK0911123793 Seoul YONHAP in English 1118 GMT 9 Nov 93

[Text] Seoul, Nov. 9 (YONHAP)—When Vietnam war veterans suffering from the "Agent Orange" syndrome, a range of diseases caused by exposure to the defoliants used during the Vietnam war, file a lawsuit against U.S. manufacturers of the chemical seeking compensation, the government will support them and provide them with necessary data, according to the Ministry of Patriots and Veterans Affairs on Tuesday.

In case the Korean Overseas Veterans' Association (KOVA) starts the damage suit in the United States on behalf of Yun Pyong-ok, 48, and 35 other Vietnam war veterans who have complained of serious aftereffects of exposure to the herbicidal agents, dubbed "Agent Orange," the Ministry will provide the KOVA with necessary documents, such as a list of patients and their medical records, Ministry officials said.

The association has retained 60 U.S. lawyers, most of them Korean-Americans, to push ahead with the legal proceedings.

Two out of the seven or eight herbicide makers in the United States are the subjects of the lawsuit for now, according to the KOVA.

In Korea, Vietnam war veterans who have thus far found to be affected by Agent Orange to some degree number 5,664, and the 36, including Yun, will start the suit within this month.

The KOVA will start the damage suit for the remaining victims, if the suit for the 36 proceeds well, and plans separate legal proceedings against the U.S. Government for its use of Agent Orange in the jungle in battle zones of Vietnam.

The U.S. veterans who were exposed to the defoliants during the Vietnam war have agreed with Dow Chemical Co. and other herbicide makers to set up a 180-million-dollar fund for their medical treatment and welfare. Australian and New Zealand victims are said to have been compensated for their pain, too.

Minister: No Deadline on North's Nuclear Issue

SK1211061693 Seoul YONHAP in English 0607 GMT 12 Nov 93

[Text] Seoul, Nov. 12 (YONHAP)—South Korean Foreign Minister Han Sung-chu watered down the impression of an imminent ultimatum on the North Korean nuclear problem Friday, repeating that there is no deadline nor plans to set one.

He registered caution at a North Korea-U.S. package deal exchanging a nuclear solution for relations improvement, warning that "there can be all kinds of formulas and traps."

"Sometimes parties back into crisis situations by misunderstanding or overreaction," Han told a luncheon press conference at the Seoul Foreign Correspondents' Club.

"Dialogue should be given every chance to resolve the issue," he said.

The foreign minister gave the response amid growing impression that Seoul and Washington are ready to issue a deadline for North Korea to accept continued International Atomic Energy Agency (IAEA) inspections on its suspected facilities and to engage in dialogue with South Korea.

South Korean President Kim Yong-sam meets Chinese leader Jiang Zemin during next week's Asia-Pacific Economic Cooperation (APEC) summit and U.S. President Bill Clinton in Washington afterwards, and the nuclear problem is certainly on the agenda.

Han opted for a "neither confirm nor deny" policy on whether the involved parties will have to set a deadline but said, "so far, we have not set any arbitrary or artificial deadline."

His reaction to talks of a North Korea-U.S. package deal was to question how viable it would be.

Obstacles in just getting to the point of considering a package deal are demands that North Korea talk with South Korea and the IAEA, he said.

"At the same time, we can't simply talk about the package deal. There will be packages and then packages," said Han, saying the question was how viable the discussion itself was.

"It's not like exchanging hostages with ransom in one sweep," he said. "There can be all kinds of formulas and traps."

Ministry Denies Shooting in Demilitarized Zone

SK1111105593 Seoul YONHAP in English 1049 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—The Ministry of National Defense on Thursday [11 November] denied as "totally groundless" some foreign press report that South Korean soldiers fired into the Northern sector of the Demilitarized Zone across the Military Demarcation Line.

A check with frontline units revealed that no South Korean soldiers opened fire into the Northern sector, a Ministry official said. He also said South Korea has never deployed any additional troops in the Southern area of the buffer zone dividing the two Koreas.

Minister: Chances Remote for North Attack

SK1211033193 Seoul YONHAP in English 0323 GMT 12 Nov 93

[Text] Seoul, Nov. 12 (YONHAP)—Defense Minister Kwon Yong-hae said Friday the possibility is remote of North Korea launching military action against South Korea, although some unusual troop movements have been detected in the North.

In a report to the National Defense Committee of the National Assembly, Kwon said that his ministry is making a detailed assessment of North Korean military movements with other government agencies concerned.

"We are judging that we are not faced with an urgent situation right this moment," Kwon told the lawmakers.

Kwon said, however, that since North Korea is already in a position from where it could launch a war at any time, it was inadequate to make a hasty judgement after looking at a partial indication.

"Therefore, we should not take things easy," he added.

The Defense Ministry is in thorough preparations for an unexpected situation, Kwon said.

The country has strengthened its deterrent ability against North Korea by agreeing with the United States to transfer the war-time operational control of the U.S. 7th Fleet to the Combined Forces Command and other measures at the annual Security Consultative Meeting (SCM) just held in Seoul, Kwon said.

NSP Director Urges Package Deal on DPRK Issue

SK1211084793 Seoul YONHAP in English 0835 GMT 12 Nov 93

[Text] Seoul, Nov. 12 (YONHAP)—A package solution of the North Korean nuclear issue is not only to North Korea's advantage and timely but a rational choice for South Korea, Agency for National Security Planning [NSP] Director Kim Tok reportedly told a closed-door session of the National Assembly Defense Committee on Friday.

The top intelligence official told the committee that there are two approaches to the issue, one a package deal and the other U.N. sanctions, according to committee members. It will be seen in the not-distant future whether the issue can be solved, though the prospects at the moment are unclear, he was quoted as saying.

Only North Korean President Kim Il-song knows if he would accept a package that offers improved North Korea-U.S. relations and economic support, because of North Korea's inflexible system.

If the U.S.-North Korea nuclear talks fail, the only option is U.N. sanctions, which will take four steps—urging, warning, economic sanctions and military action—though the last step is deemed unlikely, he said.

The United States wouldn't take military action without close consultation with South Korea, which would oppose any action that could weaken the bilateral security cooperation system, he added. He said ordinary and special International Atomic Energy Agency (IAEA) inspections of North Korea's nuclear facilities must not be the subject of negotiations with North Korea.

North Korea's war preparations were completed near the end of the 1980s and there has since been a steady increase in its military power, but there was no sign of provocation detected of late, he said.

Further on NSP Director's Remarks

SK1211095293 Seoul KBS-1 Radio Network in Korean 0810 GMT 12 Nov 93

[Text] Kim Tok, director of the Agency for National Security Planning [NSP], at a meeting of the National Assembly Defense Committee on 12 November, said that no specific signs of military provocation has been observed yet in North Korea, despite the increasing international pressure in connection with the nuclear issue, coupled with the deepening economic crisis, which is adding to the factors of instability in the North Korean system.

NSP Director Kim Tok said North Korean residents' complaints have begun to be manifest by action in North Korean society, such as collective riots, work stoppages, and a collective beating of the manager of the food distribution center, as a result of the worsening food shortage and the continuous state of military tension. He said the NSP has confirmed even the advent of a small-scale underground dissident organization.

NSP Director Kim Tok said North Korea issued an order to have all the soldiers of the North Korean People's Army tonsured and had Kim Kwang-chin, vice minister of the People's Armed Forces, issue a bellicose press statement in order to divert the attention of the people and strengthen the internal mobilization posture.

Rationale for DPRK Package Proposal Analyzed

SK1211095893 Seoul CHUNGANG ILBO in Korean 12 Nov 93 p 5

[Article by Reporter O Yong-hwan: "Hidden Purpose Behind the North's Proposal for A Package Solution of the Nuclear Problem"]

[Text] On 11 November, Kang Sok-chu, first vice foreign minister of North Korea, released a statement proposing a package solution of the nuclear problem. This may be regarded as an attempt to bring the package solution issue up for public debate. While North Korea has constantly insisted on a package solution of the nuclear problem to include the problems concerning ordinary inspections [tongsang sachal] by the International Atomic Energy Agency [IAEA], establishment of diplomatic relations between the United States and North Korea, and suspension of the Team Spirit exercise, in its behind-the-scene contacts with the United States, this was never disclosed to the public.

Vice Minister Kang's statement shows that North Korea wants to bring the package solution issue up for international discussion. In other words, North Korea wants to open the issue up for the world to assess since it failed to gain anything from behind-the-scene talks with the United States.

Furthermore, North Korea's insistence on a package solution is also aimed at demonstrating its will for dialogue that was apparent in the 9 November U.S.-North Korean working-level contact held in New York at the request of Ho Chong, North Korean vice ambassador to the United Nations.

North Korea was able to inform the world that it was not rejecting dialogue through these two proposals.

These proposals may also keep the international community from inflicting sanctions against North Korea as a means of settling the North Korean nuclear problem.

Therefore, Vice Minister Kang's statement may be considered to be an expression of North Korea's intent to change the prevailing situation by breaking the international community's keen consensus towards sanctions.

When considering North Korea's continuous emphasis since the 3 November press statement by Vice Minister of the Ministry of People's Armed Forces Kim Kwang-chin that countermeasures mean war [chonjaeng mat-daeung], the gestures for dialogue in Vice Foreign Minister Kang's press statement may be said to have been calculated to buy time for it to adjust its domestic position.

His press statement may also be a strategy to directly face the claims of the IAEA, the ROK, and the United States, that "it is now time for North Korea to answer."

In any case, it appears that public debate of North Korea's package settlement will be the core issue in future negotiations on North Korea's nuclear issue.

In connection with the October behind-the-scenes U.S.-North Korea negotiations, authorities from our side like the Deputy Prime Minister and Minister of the Board of National Unification Han Wan- sang and Foreign Minister Han Sung-chu already revealed that moves toward a package settlement are apparent.

It is a fact, however, that that there are big differences in opinion between the North Korean and the ROK-U.S. sides regarding the details of the package settlement of the North's nuclear issue.

North Korea conveyed its position to the ROK and the United States that it would guarantee nuclear transparency in exchange for the establishment of diplomatic relations between the United States and North Korea, U.S. assistance in replacing North Korea's nuclear reactors with light-water reactors, suspension of the Team Spirit military exercise, and withdrawal of its forces from South Korea. The ROK and the United States, however, have continued to insist that the issue of North Korea's nuclear transparency and the political issue of the establishment of diplomatic relations between the United States and North Korea are disparate. This kind of difference in position regarding package settlement shows that future negotiations will not be easy.

Considering the recent heightened tension in the situation surrounding North Korea's nuclear issue, however, we cannot ignore the high likelihood that if negotiations on North Korea's nuclear issue are resumed, a more extensive settlement may be reached through a package settlement rather than through the plan pursued by the ROK and the United States thus far of tackling one issue at a time.

Reportage on Tumen Free Trade Zone on Border

Economic Opening Assessed

SK0911024193 Seoul HANGUK ILBO in Korean 8 Nov 93 p 25

[Article by reporter Yu Sung-u]

[Text] It appears that North Korea has shut its door tight. Some places in North Korea, though slow, have steadily prepared for opening themselves to the outside world.

They are the Najin-Sonbong free economic and trade zone located at the mouth of Tumen River at the end of the east and to the extreme north of the Korean peninsula. This zone is a golden delta which is expected to be a North Korea's key region for opening its economy in the 2000's.

North Korea's Supreme People's Assembly Standing Committee's decision adopted the land lease law on 27 October. This law allows foreign businesses to lease or use the land for up to 50 years. In addition, North Korea, in a bid to induce foreign investment, has established a legal system, including the law on foreign businesses, the law on foreigners' investment, the tax law for foreigners, and the law on free economic and trade zone (legislated last January), since last year. Even amid the mounting tension over North Korea's nuclear issue, three North Korean officials, including Hwang Chong-nam, a director of the External Economic Committee, came to Seoul on 7 November to attend the second workshop for industrial resources field of the United Nations Development Plan [UNDP].

Pursuant to decision No. 74 of the Administration Council on 28 December 1991, North Korea designated some 621 square kilometers in Najin City and Sonbong County as a "free economic and trade zone," and it also picked Najin port, Sonbong port, and neighboring Chongjin port as free trade ports. North Korea adopted the policy allowing the limited opening by patterning after the policy of the PRC special economic region, which guarantees activities of joint venture companies and foreign businesses in this region and grants tax benefits to these companies (Notwithstanding various laws adopted by North Korea in order to induce investments from overseas, these laws deny benefits to businessmen from the ROK).

A feature of the PRC special economic region makes it the premise to spread market economy from the coast to the inland, while it is believed that North Korea's free economic and trade zone has a strong tendency to confine the spread of the aftermath of its opening to the border area. North Korea limited the scope for opening Chongjin to its port based on this principle.

This free economic and trade zone includes 13 tong's and one ri of Najin City and seven ri's, two workers' districts, and one town of Sonbong County. These tong's, ri's, and town were reportedly integrated recently to form an administrative district under the name of Najin-Sonbong City. This city currently has a population of 131,000. They plan to build this city as a large city with a population of up to 1,000,000 until the 2000's. Najin-Sonbong City is the only city in North Korea which is bordered by the PRC and Russia, and this city has had many contacts with outside from long time ago.

The UNDP calls a small delta of 1,000 square kilometers, which contains three ports including Hunchun in China and Posyet in Russia that neighbor Najin, the Tumen River Economic Zone. A large delta of 10,000 square kilometers which links with cities in the rear—Chongjin, Yanji, and Vladivostok—are defined as the Tumen River Economic Development Area. The PRC made public its plan for the Tumen River area development for the first time in July 1990. Since then, the project management committee, including North and South Korea, the PRC, Russia, Mongolia, and Japan, has been formed and has discussed the plan for the Tumen River area development. Its basic plan envisages developing this area as the center of transportation of cosmopolitan-dimension and the center of processing and manufacturing industries. The plan also envisages utilizing the mutual complementary aspect of economic factors including population, natural resources, and technology. The plan, thus, aims at creating a Northeast Asia economic sphere.

Although North Korea belatedly participated in this plan, it is playing an active role. North Korea is actively recommending Najin-Sonbong area as an idealistic area for this plan because Najin-Sonbong port does not freeze due to warm current, unlike Russian ports, and because Najin-Sonbong port offers easier passage to North Korean ships than to PRC ships which have to sail up Tumen River.

Plans for Free Trade Zone Unveiled

SK0911095893 Seoul YONHAP in English 0911 GMT 9 Nov 93

[Report by So Hae-sung]

[Text] Seoul, Nov. 9 (YONHAP)—North Korea unveiled plans Tuesday to create a free trade zone on its northern border over the next 17 years at a cost of 1.52 billion U.S. dollars, and hinted that it hoped the money would come from South Korea.

Its three-phase plan to develop a 621-square-kilometer economic and free trade zone linking Najin, Sonpong and the Tumen River was revealed in Seoul at a working-level meeting on the Tumen River Area Development Program (TRADP) by Hwang Chong-nam.

Hwang is director of the Committee for the Promotion of External Economic Cooperation, formed earlier in the year to oversee North Korea's commitment to TRADP and implement the project.

Pyongyang has already initiated the construction of an 81 km road between Chongjin and Hoeyong as a part of the first-stage infrastructure program, which covers expansion of ports, roads and railways in the area, said Hwang, who represents the communist country at the second industry workshop for TRADP.

At the third Program Management Committee (PMC) meeting in Pyongyang in May, North Korea promised the other participating countries—China, Russia, Mongolia and South Korea—that it would open the ports of Sonpong, Najin and Chongjin, and agreed with China and Russia to lease land, facilities and installations.

Hwang declared North Korea's support for the creation of an independent business entity, Tumen River Area Development [TRAD] Corp., proposed at a PMC meeting in Beijing in February last year, and produced a set of proposals for development in Tuesday's session.

In the three-day workshop, which ends Wednesday, participating countries and observers will exchange ideas on how to set up TRAD Corp. and will discuss infrastructure programs and cooperation to realize development of the Tumen River area as soon as possible.

Officials from both Koreas, Russia, China, Mongolia, Finland, the United Nations Development Program (UNDP), which sponsors TRADP, and the United Nations Industrial Development Organization are attending the government-level workshop.

Seoul is represented by officials from the Trade, Industry and Energy Ministry, the Korea Institute for International Economic Policy (KIEP) and the Economic Planning Board (EPB).

North Korea, recognizing that means of transportation and communication are critical to the project, has begun construction with investment from Taiwan, Hong kong, the Netherlands and Norway, Hwang said, elaborating on a master plan mapped out two months ago.

On Pyongyang's drawing board are expansion and modernization of roads, ports, and railways, the construction of 500 hectares of industrial parks in Sinhung, Najin, Chanpyong, Chongye and Paekhak, hotels, communications facilities and an airport in Najin, and coastal tourism development, he said.

Each country has to present its plans for infrastructure and communications to construe a global master plan by the first half of next year.

"We invite and anticipate active foreign investment with which we hope to cover the expense for development of the area," said North Korean delegate Yi Song-tok, director of the Administration Council.

Yi refused to say how Pyongyang expected to pay for its plan but, without naming them, said a host of South Korean companies were interested in participating in the infrastructure program.

Reflecting its interest in the TRADP, Pyongyang promulgated six pieces of legislation on foreign investment and free trade zones earlier this year and is drawing up three new laws to attract and guarantee foreign activities on its soil.

"We welcome investment from the South wholeheartedly and our industries are disappointed that nothing comes from the South," Yi said, hinting that the Seoul Government is hindering inter-Korean cooperation.

North Korea seeks joint ventures and anticipates extensive cooperation with capitalist South Korea, Yi said.

He said South Korea will have the same treatment as other foreign investors when asked if there will be any privileges like China has given Taiwan in its infrastructure program.

"The (North Korean) plan is well conceived," said Richard Stauffer, UNDP industrial economist and expert team leader of the TRADP Industry Subgroup. "It is a good plan."

Stauffer, who chairs the Seoul meeting, gave the North Korean delegation credit for participation despite the "sensitive" timing.

North Korea is being pressed by the international community to accept inspections by the International Atomic Energy Agency (IAEA) of suspected nuclear sites in Yongbyon.

Refusing to comment on how realistic he found North Korea's plan and commitment to the Tumen River project, Stauffer said the Stalinist country seemed "sincere."

Further on Trade Zone Plan

SK1011091793 Seoul TONG-A ILBO in Korean 10 Nov 93 p 1

[Text] On 9 November, the North Korean authorities announced that they had worked out a plan for "development of Najin-Sonbong free economic trade zone" in connection with the Tumen River development project. This plan stipulates large-scale expansion of social overhead facilities in Najin-Sonbong district, including roads, ports and communications. This plan is also to provide foreign investors with various accommodations and facilities so as to facilitate their investments. According to this plan, top priority will be given to construction of a light industry export processing base.

In this regard, North Korea will work out a concrete investment plan for implementation in three phases from this year until 2010.

Hwang Chong-nam, director of a section of the Committee for Promoting External Economic Cooperation and senior North Korean delegate to the second workshop on the UN Tumen River development project which was held at Sofitel Ambassador Hotel in Seoul on 9 November under the sponsorship of the UN Development Program, revealed, for the first time, a blueprint of concrete plans to develop the Tumen River area.

Senior delegate Hwang noted that day that the "expansion project for some ports and roads has already begun." He said that "in the event that South Korean enterprises want to participate in construction of the industrial complex, all accommodations and facilities required for the development will be furnished." In addition, he said that he was ready to even arrange the lease of the complex for them.

According to the general development plan for social overhead facilities in Najin-Sonbong district which senior delegate Hwang revealed, facilities of three ports, including Najin, Chongjin and Sonbong, will be expanded during the 1993-95 period, which is the first phase of the project.

'Concrete' Plan for Facilities

SK1011142193 Seoul TONG-A ILBO in Korean 10 Nov 93 p 11

[Article by Cho Hon-chu: "Tumen River Development is $7 Billion-Worth Great Project"]

[Text] The Tumen River development plan, which was revealed by a North Korean Government official on 9 November, is the first of its kind with a concrete plan, thus attracting people's attention. The North Korean side has not revealed the scale of the overall investment. It amounts to a total of $6.9 billion and 75.99 million, if we add up all the amounts required by each sector. The backbone of the investment plan in eight different sectors including ports, railroads, expressway, airports, communications, electricity, tourism, and industry, is as follows:

Ports

Najin Port—the present annual passage capacity of 3 million tonnes will be expanded to 50 million tonnes by investing $1.52 billion by 2010. This port will be developed into an exclusive international freight port.

Chongjin Port—By investing $135 million, this port will be developed into an exclusive-container port with modern cargo transportation facilities.

Sonbong Port—By investing $1.5 million, this port will be developed into an exclusive port for loading and unloading oil.

Railroads

Electrification of 168 km between Hoeryong and Haksong; construction of 25.8 km of new railroads between Kuryongpyong and Chosanri; double-tracking project of Tumen River railroad; expansion of Najin railway station; automation of signal device in Tumen River railway station; modernization of railroad communications system between Chongjin and Tumen River station. The total investment in the railroad sector amounts to $158.12 million.

Expressway

Construction of 73 km of new expressway with a width from 19 to 24 meters between Najin and Hunchun; construction of 82 km of new expressway with a width of

19 meters between Chongjin and Hoeryong; construction of 45 km of new expressway with a width from 19 to 24 meters between Najin and Tumen River; construction of 67 km of new expressway with a width of 19 meters between Chongjin and Najin. The investment amounts to $346.5 million.

Airports

New construction of Sonbong Airport—construction of 4 km of runway with a width of 60 meters and construction of 3.6 km of runway with a width of 60 meters on the land for a total of 8.7 million square meters; facilities for mooring of 50 airplanes. The total investment amounts to $728.56 million.

Communications

The Najin Communications Center—construction of a new communications center with a 40,000-circuit switchboard on 25,000 square meters of land. The scale of investment is $42.9 million; construction of a satellite communications bureau—construction of new satellite communications bureau with a 147,800-circuit switchboard in Najin area; construction of branch bureaus in Sonbong, Ungsang and Huchang. The total investment, including construction expenses, amounts to $147.66 million.

Electricity

The Sonbong thermoelectric power station—the current oil thermoelectric power station with a 200,000-kw capacity will be expanded into a station with a 400,000-kw capacity. The amount of investment is expected to be $160 million.

Tourism and Service

The development of sight-seeing site in Anju-Sinhae area—construction of Taecho Island, Socho Island and Pipa Island around Anju peninsula into sight-seeing spots. Construction of a 500-room tourist hotel in Taecho Island; construction of summer houses to accommodate 20,000 tourists in Pipa Island. The total investment amounts to $59 million.

The development of sight-seeing spots in Uam and Kulpo area—30- km-long coast, Alsom, the northern island, and three natural lakes will be developed into sight-seeing spots. Construction of a 1,000-room tourist hotel in Kulpo; The total investment amounts to $23 million.

The Najin-Sonbong Development Promotion Center—construction of an area to accommodate bank, conference hall, and business center; construction of a 100-room hotel in Najin. The total investment amounts to $1 million.

Industry

Inducement of 68 various facilities and plants for production of clothes, fabrics, stocks, towels, zippers, handicraft articles, shoes, beverages, spring water, edible oil, electronic watches, electronic parts, light bulbs, semiconductors, machine tools, generators, motor parts, packing materials, furniture protection materials, motor bicycles and ceramic ware; for ship repair; for motor assembly, and for oil processing facilities. The total amount of investment is expected to be $3.6 billion and 49.55 million.

Legal Problems for Investment

SK1211052593 Seoul CHOSON ILBO in Korean 11 Nov 93 p 4

[Article by reporter An Hui-chang: "'Problems' in ROK Enterprises' Advance North"]

[Text] On 9 November, North Korean delegates now attending the workshop on the industrial sector in the Tumen River development project in Seoul, expressed North Korea's readiness to lease an industrial complex in Najin-Sonbong area to ROK enterprises. Some government officials, however, are of the opinion that if one takes the North Korean laws and system into consideration, there are many problems in this regard, and they are attracting people's attention.

Needless to say, the ROK enterprises' investment in North Korea is possible only after the nuclear issue is resolved. Even if the nuclear problem is solved, however, in view of articles of relevant North Korean laws and regulations including the recently-adopted law on the lease of land and the rule of the Workers Party, the advance of ROK enterprises into North Korea will not be easy.

Article 2 is one of the articles in the law on lease of the land related to our enterprises. This article stipulates that "the judicial person and individuals of other countries can lease and use the land of the Republic. Korean compatriots residing outside the territories of the Republic can lease and use the land in accordance with this law."

The Foreign Investment Law, the Joint-Venture Law and Foreign Enterprises Law that North Korea adopted in October last year also stipulate that "the Korean compatriots residing outside territories of the Republic can make investment." However, what presents a problem is how one should define the "Republic."

A high-ranking government official in charge of North-South relations on 10 November said that according to the rules of the Workers Party and North Korea's political dictionary, the concept of the "Republic," as defined by North Korea, includes South Korea.

For example, the North Korean political dictionary defines "the territories of the Republic" to include the Korean peninsula and its coastal seas and air. The

Workers Party's regulation defines that "the imminent goal of the Workers Party of Korea is to attain the complete victory of socialism in the northern half of the Republic and to accomplish nationwide national liberation and popular revolutionary tasks."

According to this official, North Korean Deputy Premier Kim Tal- hyon said in a meeting with our businessmen in China last year that "since it is difficult for South Korean businessmen to directly come to North Korea, it would be desirable for them to invest in North Korea in the name of a field judicial person who is established in a third country." Based on this interpretation, it is impossible for our business groups to make investments like the direct establishment of an industrial complex in North Korea. However, a counterargument to this is not negligible.

The Joint-Venture Law formulated in 1984 clearly excluded South Korean enterprises from the category of eligible investors. However, the counterargument stresses that we should understand that the expression, Korean compatriots residing in territories outside of the Republic, shows a will to open the door to investment to South Korean enterprises. In addition, North Korea is, in actuality, requesting South Korean investment in the Nampo industrial complex. Viewing this, one should not adhere merely to interpreting judicial theories. The fact that North Korea is requesting our enterprises' investment by even formulating laws that contradict the existing judicial system, shows that it aims to strengthen its position for negotiations with the South in the event that economic cooperation becomes possible. This being the case, it is a dominant view that we should make investment in North Korea by carefully examining these problems when the North-South joint economic committee is in operation.

Possible Reshuffle of WPK Officials Noted

SK1111062593 Seoul CHUNGANG ILBO in Korean 11 Nov 93 p 2

[Text] North Korea has shown indications that it would undertake a reshuffle of high-ranking officials of the Workers Party of Korea [WPK] and the Administration Council [as published]. This is noteworthy in view of the fact that North Korean hard-liners and moderates have been in serious discord.

An ROK Government office concerned noted on 11 November that North Korea recently replaced Kang Hui-won, chairman of the Pyongyang Municipal Administrative and Economic Guidance Committee, with Pak Nam-ki, secretary of the WPK Central Committee and chairman of the Budget Deliberation Committee of the Supreme People's Assembly.

In late October, North Korea appointed Yun Ki-pok, WPK secretary in charge of education and science, as chairman of the Economic Policy Commission of the Central People's Committee.

Talks Begin To Free DPRK Ship Held in Hong Kong

SK1011125793 Seoul YONHAP in English 1215 GMT 10 Nov 93

[Text] Hong Kong, Nov. 10 (YONHAP)—North Korea and Hong Kong have begun talks to set free a North Korean freighter being held in Hong Kong after North Korea underpaid a freight charge to a Hong Kong shipping line. The Ocean Link Co., whose major share holders are two brothers of South Korean nationality, said on Wednesday the negotiations started at the request of the lawyer of a firm run by the North Korean Trade Mission in Austria.

Ocean Link early last month requested for and obtained from the Supreme Court of Hong Kong the permission to hold a North Korean freighter, 2,056-ton "Nungnado-ho," after North Korea failed to pay promised fees for the shipping of Chinese corn to a polish harbor.

An official of the Ocean Link said his shipping line transported 30,000 tons of Chinese corn from Dalian, China to Gdynia, Poland in a contract signed with the Pyongyang-run firm in Austria. The freight charge agreed on was 30 dollars per ton.

After the shipping was made, however, the North Korean firm demanded the reduction of the charge by 5 dollars to 25 dollars per ton, paying only 730,000 dollars out of the 906,000 dollars due.

On Oct. 8 Hong Kong's Supreme Court had law-enforcement officials hold "Nungnado-ho" that happened to be in the Hong Kong harbor, ruling that the ship could be held since in socialist North Korea "Nungnado-ho" is a state property.

Private Unification Organization Formed

SK1111092693 Seoul YONHAP in English 0445 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—A broad-based private organization to promote the unification of Korea was inaugurated in a ceremony at a YWCA auditorium on Thursday.

The first leader of the private Inter-Korean Exchange Council, comprising even active politicians and people from other walks of life, is the Rev. Pak Hyong-kyu, formerly a dissident leader and a former preacher of the Cheil Church in Seoul.

Efforts for national reunification should be made not only at the government level but also at the private level and the Korean people must complete the task of reunification before the new century begins, the council said in an inaugural statement.

Among the 163 promoters are 33 politicians. They include Chief Presidential Secretary Pak Kwan-yong, Labor Minister Yi In-che, First State Minister for Political Affairs Kim Tok-yong, and lawmakers Choe Hyong-u, Kang sam-chae, Kim Won-ki, Yi Hae-chan and Pak Kye-tong.

An Tong-il, Han Sung-hon and 12 other lawyers are also among the promoters.

Others include Sin Kyong-nim of Minyechong (the federation of arts associations of the masses): The Ven. Chison, chairman of the Buddhist Society; Choe Yol, secretary-general of the Anti-Pollution Movements Federation; Han Myong-suk, president of the Federation of Women's Organizations; Chang Ul-pyong, president of Songgyungwan University; Professor Yi Yong-hui of Hanyang University; Professor Yi Ae-chu of Seoul National University; Professor Kang man-kil of Korea University; and Kim Chan-kuk, president of Sangji University.

EC Vice President Holds Annual Talks in Seoul

Agenda for Talks Announced

SK1011042693 Seoul THE KOREA TIMES in English 10 Nov 93 p 2

[Text] A basic relations agreement as well as bilateral trade issues will be put high on the agenda at Korea-EC ministerial talks Nov. 12 in Seoul, the Foreign Ministry said yesterday. The two sides will discuss ways to conclude a bilateral basic agreement which will be a framework within which to develop bilateral relations.

Chong Ui-yong, director-general of the ministry's international trade bureau, said Korea will propose an agreement draft for discussion at the meeting. He said that the EC concluded similar pacts with three non-EC G-7 member nations, the United States, Canada and Japan, in 1991 for regular summit talks and has done the similar ones with developing nations in Latin America and Asia for regular high-level meetings to improve their relations.

"But EC has no pacts with Korea, New Zealand and Australia and as a result we proposed first the conclusion of a pact to 'level up' the bilateral relations," Chong said.

Foreign Minister Han Sung-chu will lead the eight-member Korean delegation to the ninth meeting and Leon Brittan, vice president and commissioner for European Commission's external economic relations, will head the 11-member EC one.

Today, prior to the ministerial talks, a working-level meeting will be held to iron out minor differences on bilateral trade issues. The hike of tariffs on imports of wool products from European nations and the extension of generalized scheme of preferences (GSP) favorable to Korean exports will be put high on the agenda by Korea, while the EC will call for wider opening of the domestic automobile market, Chong said.

The Korean government plans to increase the rate from the current 9 percent to the 30 percent level to protect domestic wool textile manufacturers suffering from a flood of European products. The lion's share of wool product imports amounting to $100 million a year come from Italy.

Chong claimed that the United States has imposed 36.8 percent, Japan 20-30 percent and the EC 13-17 percent tariffs on wool products despite their advanced economies.

Korea will also urge the EC to extend the period of GSP favors on Korean export goods to 1996 when Korea plans to join the Organization for Economic Cooperation and Development (OECD). The three-year GSP favors will terminate in 1994 and the EC has no intention to extend the period on the grounds that Korea has nearly joined the advanced economies.

On the other hand, the EC is expected to request Korea to open its car market wider on the basis of reciprocity. European car manufacturers claimed that the high acquisition taxes, frugality campaign and frequent tax probes of foreign car owners have hindered their purchase by Korean consumers despite a big potential.

Statistics show that Korea exported 96,751 cars to Europe and imported 544 units from European nations last year.

Other issues are the EC's anti-dumping regulations, protection of intellectual property rights in Korea, conclusion of a customs cooperation pact, industrial and business cooperation, wider opening of Korean financial markets, mutual recognition of conformity assessment and Uruguay Round negotiations.

The two sides will also discuss formation of a private wisemen's club with dignitaries well-versed in each other side's affairs to promote better mutual understanding.

EC Vice President Arrives

SK1111093093 Seoul YONHAP in English 0831 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—EC Vice President Leon Brittan arrived in Seoul on Thursday for the annual ministerial meeting with South Korea this week. Brittan, in charge of external affairs, heads the EC delegation to the talks, which will tackle automobile and textile trade with Korea. He calls on President Kim Yong-sam on Friday before sitting down to the talks with Foreign Minister Han Sung-chu.

The two sides have seven central issues on the table, including conclusion of a basic relations agreement, intellectual property rights, market access and investment conditions.

"But the most controversial items will be automobiles and tariffs on textiles," said Chong Ui-yong, the Ministry's director-general for international trade.

Brittan will also meet with Economic Planning Minister Yi Kyong-sik and Trade and Industry and Energy Minister Kim Chol-su before leaving Saturday.

Holds Talks With President

SK1211080993 Seoul YONHAP in English 0629 GMT 12 Nov 93

[Text] Seoul, Nov. 12 (YONHAP)—South Korean President Kim Yong-sam met with visiting European Community (EC) Vice President Leon Brittan on Friday and exchanged views on ways to upgrade bilateral relations.

Kim told Brittan that he hoped to see the EC observe the General Agreement on Tariffs and Trade (GATT) and overcome regionalism to strengthen cooperation with non-member countries.

The European Community's Maastricht Treaty took effect on Nov. 1, legally binding the political and economic fates of 346 million Europeans more closely than ever.

The EC commissioner in charge of negotiations on trade matters for the 12-nation bloc arrived in Seoul on Thursday evening as part of a two-leg trip that also takes him to Tokyo on Saturday.

On the surface, he heads the annual ministerial meeting with Korea, but his main task is to press the Asian nations in making the politically tough decision needed to meet obligations for the global free trade pact less than a month before its deadline.

GATT has a Dec. 15 deadline for wrapping up a global deal to liberalize trade in sectors from finance to agriculture.

Neogtiations for the Uruguay Round (UR) have already passed its three-year time limit and it would be almost impossible to drag on the negotations further if the pact is not concluded by next month's deadline, set for the Washington administration by the U.S. Congress.

Seoul is being pressured to open up its sensitive rice market and make more bold concessions on foreign competition in its financial industry.

Touching on another impending issue, Kim thanked the EC Commission and its member countries for their full backing of Seoul's position on seeking a peaceful solution to the North Korean nuclear issue.

"As we are in a critical period in resolving the North Korean nuclear problem, we ask for continuous cooperation and support from EC members," Kim was quoted as saying by Presidential Spokesman Yi Kyong-chae.

He noted that the first global report on relations with Korea, adopted in the EC ministerial meeting last June, set a momentum in raising recognition of the need for improved Korea-EC relations, Yi said.

He also expressed satisfaction over the recent eye-catching progress in relations between Korea and EC in wide political, trade, science, and technology fields, Yi said.

Brittan is scheduled to meet with Foreign Minister Han Sung-chu, Economic Planning Minister Yi Kyong-sik, and Trade, Industry and Energy Minister Kim Chol-su before he heads for Tokyo.

Discussion on Opening Rice Market

SK1211102393 Seoul YONHAP in English 1008 GMT 12 Nov 93

[Text] Seoul, Nov. 12 (YONHAP)—Deputy Prime Minister Yi Kyong-sik reiterated on Friday that his government remains opposed to the opening of the country's rice market. While meeting with Leon Brittan, visiting vice president of the European community (EC), at his office in the morning, Yi said, "We cannot open the rice market because there are a mountain of difficulties."

The deputy premier who is concurrently the Economic Planning minister made the remarks in response to Brittan's urging that "South Korea cooperate in the settlement of the Uruguay Round talks and show sincerity toward opening the farm goods market." The EC official also asked Yi to open the automobile market, saying that "there are talks that when a South Korean man rides a foreign car he faces a tax probe." Deputy Prime Minister Yi denied Brittan's allegation, saying, "that's not true."

IPR Agreement Reached With EC

SK1211124493 Seoul YONHAP in English 1054 GMT 12 Nov 93

[Text] Seoul, Nov. 12 (YONHAP)—South Korea and the European Community completed their negotiations on intellectual property rights [IPR] Friday [12 November] that gave the European nations the same treatment as the United States. The two sides agreed in principle to conclude a framework agreement and to establish a "wisemen's club" between the private sector and hold the first meeting within first half of next year.

On the sensitive issue of South Korea's rice market opening, the EC side urged Seoul to seriously consider the impact if the Uruguay Round [UR] allowed exceptions to all-tariffication rule. The two sides sat down for ninth round of ministerial meeting in Seoul, headed by Foreign Minister Han Sung-chu and EC Vice President Leon Brittan.

The conclusion of the IPR issue came two years after South Korea and EC concluded the agreement. The time was spent deciding the scope of retroactive and pipeline product protection.

Final agreement covers 193 EC pharmaceutical items and 28 agricultural chemicals.

IPR negotiations were bone of contention ever since South Korea signed an agreement with the United States in 1987. EC has been demanding same treatment as the United States.

EC confirmed its intention to extend Generalized System of Preferences (GSP) for South Korea next year and agreed to work toward early conclusion of a framework pact. The two sides are to begin negotiations based on South Korea's proposed draft, Chong Ui-yong, Foreign Ministry director-general of International Trade, said after the meeting.

Foreign Minister Han explained the extraordinary case of South Korea regarding rice market opening under UR, Chong said, but Brittan stressed that South Korea should keep in mind the possible consequences.

Brittan expressed worries that any exception to the all-tariffication rule will affect other countries' attitude in UR negotiations. He also raised concerns at South Korea's discriminatory tariff on imported European cars and at Seoul's moves to raise tariff rates on textiles.

Han promised to reflect EC's position as much as possible in making the decision on textiles.

Seoul charges 15 percent tax on cars priced 70 million won or over at point of purchase and discourages such purchases through nationwide austerity drive, EC officials claim.

EC countries sold 544 cars to South Korea last year and 226 as of end of July this year. In comparison, over 90,000 South Korean-made cars found European buyers last year.

South Korea plans to raise the control tariff on textile imports to 9 percent from the current 7 percent.

President To Explain Reforms at APEC Summit

SK1111021293 Seoul YONHAP in English 0149 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—President Kim Yong-sam will explain his political and economic reforms in his keynote speech to the summit of the Asia-Pacific Economic Cooperation (APEC) slated for next week in Seattle, a ranking Foreign Ministry official said on Wednesday.

APEC nations asked Kim to speak about his economic reforms and he will comply with stress on deregulation for an improved foreign investment environment in Korea, Assistant Foreign Minister for Policy Planning Kwon Pyong-hyon told YONHAP in an interview.

Kwon, predicting that the APEC summit will issue a statement supporting the conclusion of Uruguay Round multilateral trade negotiations this year, said that the government is "positively supporting such a statement."

APEC has developed at an unexpectedly fast pace over the years and it will develop more rapidly in the future because the United States positively participates in the Asia-Pacific Region and APEC, he told YONHAP.

"The important thing is what decision the APEC summit will make regarding the formation of an open economic bloc of Asia and North America, which are the most dynamic regions of the world today, irrespective of whether the Uruguay Round negotiations are concluded within the year," he said.

To help the decision, the government will propose a concrete regional liberalization plan, Kwon said.

APEC 'May' Create Inter-Company Roundtable

SK1111093593 Seoul YONHAP in English 0757 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—The 15 members of the Asia-Pacific Economic Cooperation (APEC) may agree on creating a "business roundtable" for better company-to-company cooperation and for making policy recommendations to APEC governments, Trade, Industry and Energy Ministry officials said Thursday.

There has been a widely positive response to a proposal for finance experts to meet and discuss cooperation measures among businesses of member states during the annual APEC ministerial conference, convening in Seattle from Nov. 17.

These experts in the business roundtable will find the trouble spots in implementing the cooperation measures and necessary policy coordination among member governments. They will submit recommendations to the ministerial conference, the highest decision-making body of APEC, the officials said.

The five-year-old forum has 10 working groups on specific areas of cooperation, including trade promotion, investment and technology transfer, human resources development, marine resources conservation and telecommunications.

This year's conference is also to agree on establishing a scholarship for exchange of students funded by each APEC member to strengthen youth's understanding of regional neighboring countries, they said.

Another important item of the agenda is new membership, but the growing consensus is for a moratorium, the officials said. Mexico and Papua New Guinea are expected to become APEC members at the Seattle conference, and Chile possibly, but the original members are hesitant to enlarge the forum at this phase of its development, they said.

The participants may well declare a moratorium on further new members for certain period of time, they said.

ASEAN Secretary General To Seek Cooperation

SK1111112293 Seoul YONHAP in English 1052 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—Ajit Singh, secretary-general of the Association of Southeast Asian Nations (ASEAN), arrived in Seoul on Thursday afternoon to discuss bilateral cooperation.

Singh will meet with Foreign Minister Han Sung-chu and Trade, Industry and Energy Minister Kim Chol-su to exchange opinions on the future direction of Asia-Pacific Economic Cooperation (APEC) and ways of cooperation between ASEAN and South Korea.

The secretary-general is expected to seek Seoul's support of the ASEAN-backed East Asia Economic Caucus (EAEC), but Korean officials are likely to be prudent in reply, explaining they will watch further how APEC develops and how EAEC will interlink with it.

Singh will stay until Nov. 15 and head for Seattle to attend the APEC ministerial conference.

Singapore Prime Minister in Seoul on Visit

BK1011120593 Singapore THE STRAITS TIMES in English 10 Nov 93 p 1

[By Sumiko Tan in Seoul]

[Text] Seoul—In time to come, countries will not be competing with each other for investments. Instead, the battles will be fought by large companies, each with shareholders from different countries.

Prime Minister Goh Chok Tong predicted this trend in economic development and strategic alliances yesterday, when urging Singapore and South Korean businessmen to think of ways to collaborate. His forecast came in the wake of a reported planned tie-up between American telecommunications giant AT&T and the state-owned telephone companies of France and Germany which will rival another international alliance.

Speaking at a luncheon talk, Mr. Goh noted that competition did not mean that Singapore and Korean businessmen would be rivals all the time.

"Competition also means co-operation between companies of different nationalities so that the venture can produce good services of the highest quality and at the best prices," he said.

"I do not see for the future that it will be a competition between Koreans, Taiwanese, Japanese, Singaporeans, Malaysians, Americans. I see competition between-...companies owned by different shareholders of different nationalities."

In a 45-minute address to about 150 prominent South Korean entrepreneurs, he also stressed the importance of free trade in the world. He noted that many countries in Asia such as China, Vietnam and India as well as those in ASEAN, were keen to open up and enjoy economic growth. For them to succeed, there must be free trade. But he feared that there would be problems.

"The success of Asia will create economic pressure on the older and more established economies in the West," he predicted.

"These economies, like the French or the Germans or the Dutch, will have to restructure in order to cope with the emerging economies in Asia."

The big question, he said, was whether they were bold enough politically to restructure their economies regardless of the short-term impact, or whether they would take the easier way out and be protectionistic.

Mr. Goh believed that Europe would place emphasis on short-term political benefits and look inward instead of restructuring its economy to meet new challenges. But he cautioned countries in Asia: "It will be wrong for us to counter the European Community with protectionist measures of our own because that would justify the actions of Europe. We should try and break down the protective walls in Europe with the strong wind and tide of free trade. We should, in this part of the world, open up our economies and expose our investors... business people...to international competition."

While competition would be painful for some, it would lead to a more efficient economy and more efficient companies.

Mr. Goh, who is here on a three-day official visit, noted that bilateral ties have been good but "a little too narrow".

Korean investments in Singapore were small, while Singaporean investments in South Korea were "no more than a few grains of sand on the beach". He said that when he met President Kim Yong-sam earlier, Mr. Kim expressed the hope that businessmen from both sides could consider investing jointly in third countries. He supported this whole- heartedly.

The audience at the talk, organised by four Korean business bodies, included top officials from business conglomerates such as Hyundai, Samsung and Ssangyong.

Urges Freer Trade Via APEC

BK1011121593 Singapore THE STRAITS TIMES in English 10 Nov 93 p 3

[By Sumiko Tan in Seoul]

[Text] Seoul—Singapore and South Korea should help promote a freer flow of trade and investments across the Pacific through the Asia-Pacific Economic Cooperation (APEC), Mr. Goh Chok Tong said last night. This would ensure that there would be one united Pacific and prevent undue disruption to key relationships in the post Cold War era.

Making this call at a state banquet given in his honour by South Korean President Kim Yong-sam, he noted that APEC provided an "overarching framework that emphasises the common good".

It could also contribute to the successful conclusion of the Uruguay Round of multilateral trade negotiations.

He added: "By emphasising trade liberalisation, it will send a powerful signal to protectionists everywhere that if they block free trade, they risk blocking their own entry to this vast and vibrant market."

The Prime Minister also stressed that Singapore and Seoul were economic partners in the making, a theme of his three-day visit. He noted that as China, India and Indochina continued with their market reforms, there would be more opportunities for cooperation.

The needs of the developing economies were enormous, he said, particularly in areas such as infrastructure and manufacturing.

"Our strengths are complementary, creating profitable synergies," he said.

He pointed out that a Memorandum Of Understanding on a Third Country Training Programme, which will be signed today, will add a new dimension to bilateral ties.

In a ten-minute speech, he said that both countries had several important things in common. Both were classified as newly industrialised economies (NIEs), had benefitted from the General Agreement on Tariffs and Trade (GATT) free trade system and sought to uphold it. Both also recognised the importance of an American presence for the stability of the region, and were committed to APEC.

In a speech toasting Mr. Goh, Mr. Kim noted that South Koreans regarded Singapore as a "Little Giant"—small but with enormous capabilities. He said that Mr. Goh's policy of an open and consultative government had created a new political environment, while the Singapore Government's Vision 1999 had given hope and confidence to Singaporeans.

Both men met for 1 ½ hours in the morning at the Blue House, the President's office. A Singapore delegation spokesman said Mr. Kim had mentioned that he had never visited Singapore and looked forward to doing so.

Discussions also touched on APEC, North Korea's nuclear ambitions and Mr. Kim's economic reforms.

Businessmen and the two Ministers of State accompanying Mr. Goh spent yesterday meeting South Korean entrepreneurs.

Commodore (Res) Teo Chee Hean (Communications and Finance) found the businessmen he met keen to liberalise their economy to keep up with what was happening elsewhere. Mr. Goh Chee Wee (Trade and Industry, and Labour) noted that there were many ways both sides could forge strategic alliances. For example, Singaporeans with business contacts and marketing skills could link up with South Koreans with engineering expertise and enter the China market, he said.

Agreement Signed on Training Program

BK1011145193 Singapore Singapore Broadcasting Corporation in English 1400 GMT 10 Nov 93

[Text] Singapore and South Korea have (?formally) agreed to step up cooperation with the setting up of a Third Country Training Program, TCTP. The agreement, signed in Seoul today, will allow the two countries to pool resources and share their development expertise with developing countries in the Asia-Pacific.

Under the TCTP program, two training courses will be co-sponsored annually in either Singapore or South Korea beginning in July 1995. Areas of training include the promotion of small and medium industries, telecommunications, housing and urban planning, information technology, and the environment.

Meanwhile, Prime Minister Goh Chok Tong has held talks with his South Korean counterpart Hwang In-song. Discussions centered on bilateral relations and the TCTP signed today. Both leaders agree that the role of governments was to build the bridge for the private sector from the two countries to get to know one another. Mr. Goh, who is on an official three-day trip to Seoul, is accompanied by 18 Singapore business people. The prime minister has been back in Singapore this evening.

Goh Departs After Three-Day Visit

SK1111034193 Seoul THE KOREA HERALD in English 11 Nov 93 p 2

[Text] Singaporean Prime Minister Goh Chok Tong left Seoul yesterday after a three-day visit. Prior to his departure, he had talks with Prime Minister Hwang In-song and discussed with him ways of promoting bilateral ties between their two countries, said a spokesman for Hwang. He said Hwang and Goh also agreed that the two countries will closely cooperate on a peaceful resolution of the North Korean nuclear problem.

Meantime, Singaporean Foreign Minister Wong Kan Seng, who was here with Premier Goh, met with his South Korean counterpart Han Sung-chu yesterday to exchange views on the North Korean nuclear matter and other regional and international issues.

A ministry official said Han and Wong shared the view that APEC (Asia-Pacific Economic Cooperation) should play an important role in promotion of regional economic cooperation. They pledged joint efforts to make the forthcoming APEC summit, which is scheduled to take place in Seattle later this month, a success, he said.

Following the talks, Pak Sang-yong, president of the Korea International Cooperation Agency (KOICA), and

Singaporean Ambassador to Seoul Raymond Wong Heng Tem signed a memorandum of understanding on the third country training program at the ministry.

Singaporean Premier Goh and President Kim Yong-sam agreed to cooperate to help their nations' private businesses in third countries including China, Vietnam and India during talks at Chongwadae [presidential offices] Tuesday.

DLP Delegation Leaves for Six-Day PRC Visit

SK1011034993 Seoul THE KOREA TIMES in English 10 Nov 93 p 2

[Text] The ruling Democratic Liberal Party [DLP] yesterday dispatched a six-member delegation to China to promote exchanges with the Chinese Communist Party.

The DLP team's China visit is being made at the invitation of Wu Xueqian, former Chinese foreign minister who now heads the Chinese Society for International Exchanges.

The DLP delegation is headed by Rep. Cho Pu-yong, deputy secretary general. Other members of the delegation are: Rep. No Sung-u, chief of the DLP policy research bureau; Rep. Cho Yong-chik, deputy spokesman; Rep. Kim Hyong-o, member of the DLP international relations committee; Yi U-kak, director of the DLP international bureau; and Ko Se-chin, chief of the international department.

During their six-day visit to China, the DLP delegates will hold talks with officials of the Chinese Communist Party's office for external liaison twice to discuss personnel exchanges and cooperation at the party level. These will be the first working-level talks between political parties of the two countries, former adversaries during the Korean War.

DLP sources said the ruling party is seeking visits to China by high-ranking party officials such as the executive chairman or secretary general early next year.

Deputy secretary general Cho said that he will suggest the Chinese Communist Party sign a memorandum with the DLP to realize the personnel exchanges.

"If the discussion of the matter goes smoothly, exchanges of high-ranking officials of the DLP and Chinese Communist Party will be realized within the first half of next year," Cho said.

According to DLP officials, the DLP delegation's China visit is very significant as it means the ruling party of South Korea will be establishing an official channel of dialogue with the Communist Party of China, which has maintained close ties with North Korea, its traditional ally.

Deputy spokesman Cho said, "China is the only country in the world which can exercise influence over North Korea. In this context, the DLP's establishment of ties with Chinese Communist Party will serve our national interests greatly."

Cho said that friendly ties between the two parties will contribute to the maintenance of peace in Northeast Asia and economic cooperation between the two countries. He also expressed hope that the Chinese Communist Party will play a role in the solution of the North Korean nuclear issue.

Cho said, "Though our visit is the first step in the exchanges, it will help the two parties forge a close relationship in the near future."

According to DLP sources, the Chinese Communist Party proposed the personnel exchange with the South Korean ruling party through a channel in the South Korean embassy in Beijing last March.

DLP chairman Kim Chong-pil suggested the establishment of ties between the two parties last June when Tian Jiyun, vice chairman of the National People's Congress, paid a courtesy call on the DLP chairman.

The Chinese Communist Party has set up ties with over 200 political parties in some 100 countries worldwide.

Parties To Promote Bilateral Ties

SK1111111593 Seoul YONHAP in English 1057 GMT 11 Nov 93

[Text] Beijing, Nov. 11 (YONHAP)—South Korea's ruling Democratic Liberal Party (DLP) and the Communist Party of China agreed on Thursday to promote their friendly and cooperative relations through periodic exchanges.

The agreement was made during talks here in Beijing between a visiting DLP delegation headed by DLP Deputy Secretary General Cho Pu-yong and China Communist Party officials including Li Shuzheng, head of the party's International Liaison Department.

Emerging from the meeting, Cho said the two sides shared the view that the promotion of close cooperative relations between their parties would contribute to peace in Northeast Asia and further in the world.

A visit to South Korea by a Chinese party delegation would be promoted in the foreseeable future, Cho said.

He said that the exchange of visits by high-level delegations would be realized in the first half of next year, after which mutual visits could be expanded to cover lower officials.

During the meeting, Chinese party officials stressed that their party would promote exchanges with any party in the world regardless ideologies and systems if their four principles were respected.

The four principles the Chinese party puts forth for their external exchanges are independence, equality, mutual respect and non-interference in each other's internal affairs, Cho said, adding that his DLP delegation nodded at the Chinese party policy.

Government, China To Hold Economic Seminar

SK1011112293 Seoul YONHAP in English 1048 GMT 10 Nov 93

[Text] Seoul, Nov. 10 (YONHAP)—South Korea and China are set to hold an economic seminar in Beijing on Nov. 24-25 to discuss their economic development models. The seminar is to be sponsored by the State Development Center of China's State Council.

A Foreign Ministry official said on Wednesday that Ambassador to China Hwang Pyong-tae recently agreed with Sun Shangqing, director general of the Development Center to hold the seminar for the purpose of comparing and reviewing the two countries' economic development models.

"China appears deeply interested in South Korea's economic development model. The seminar is expected to contribute to our better understanding of the Chinese economy," the official said.

Seven Korean economic experts led by Former Deputy Prime Minister Kim Man-che will attend the seminar, he added.

Korean Businesses in Japan To Form Association

SK0911082593 Seoul YONHAP in English 0701 GMT 9 Nov 93

[Text] Seoul, Nov. 9 (YONHAP)—More than 300 South Korean businesses with operations in Japan are to launch an association Nov. 15 to represent their interests and demands and to negotiate with the Tokyo government on their behalf, South Korean Ambassador to Japan Kong No-myong said Tuesday. The Association of Korean Businessmen in Japan will be the second such organization after the Korean Chamber of Commerce and Industry, established in January last year. The association is seen as added show of efforts to redirect trade relations, strained by Tokyo's massive trade surplus with Seoul. Over 90 percent of South Korea's trade deficit with the world is with Japan.

Japanese Prime Minister Morihiro Hosokawa was in Korea over the weekend and heard President Kim Yong-sam's pleas to mend the imbalance.

"The responsibilities of this association will very much resemble those of the American Chamber of Commerce and Industry in Korea," a Foreign Ministry official said, suggesting that it will direct its efforts at such tasks as seeking close ties with the host government sector by sector and protecting the interests of member companies.

"It will make demands to correct unfair regulations against national businesses and at the same time demand help from its home government to increase exports," the official said.

The association will meet every month in different sectors of business and compile recommendations to present to the Japanese Government at regular Consultation Sessions, he said.

Speaker Asks Russia To Stop Dumping Waste

SK1011125193 Seoul YONHAP in English 1207 GMT 10 Nov 93

[Text] Seoul, Nov. 10 (YONHAP)—National Assembly Speaker Yi Man-sop on Wednesday asked Russian Ambassador to Korea Aleksandr N. Panov to see to it that his country stop dumping nuclear waste into the East Sea [Sea of Japan]. Yi made the request during a farewell luncheon he hosted for Panov who is being reassigned as Russia's vice foreign minister.

"Our people's wish is that Russia will permanently stop dumping radioactive waste into the East Sea," the speaker said.

Yi also expressed the hope that Russia will closely consult with South Korea in joint surveys of the environmental effect of the dumping.

Speaker Yi added, however, that he hopes there would be no crack in the friendship between South Korea and Russia because of the question of nuclear waste dumping.

Cooperation Agreement Signed With Ireland

SK1111034293 Seoul THE KOREA HERALD in English 11 Nov 93 p 2

[Text] South Korea and Ireland signed an agreement on economic, industrial, scientific and technological cooperation in Seoul yesterday.

Foreign Minister Han Sung-chu and visiting Irish Minister for Tourism and Trade Charlie McCreevy signed the accord, which encourages businesses and institutions of the two countries to engage in wider exchanges.

Under the agreement, the two governments are to set up a joint committee to oversee the implementation of the agreement. It is also expected to encourage the free flow of investment and capital between the two countries.

More on President's Meeting Security Ministers

SK1111003993 Seoul THE KOREA HERALD in English 11 Nov 93 pp 1, 8

[Text] President Kim Yong-sam issued a warning to North Korea yesterday, saying that South Korea will keep the peace on the Korean Peninsula and protect the lives and prosperity of its people.

Kim, emphasizing that North Korea should be deterred from developing nuclear weapons "without fail," directed the cabinet to work out "thorough" steps to prevent Pyongyang's possible military adventurism.

"Whatever happens, the government is able to keep peace on the Korean Peninsula and protect the lives and prosperity of our people," Kim was quoted as saying, while presiding over a meeting of security-related cabinet ministers at Chongwadae [presidential residence].

Kim reaffirmed that Seoul does not intend to absorb the Stalinist North Korea, according to Chong Chong-uk, senior presidential secretary for foreign affairs and national security.

The President said he will ask China for its help in putting pressure on North Korea to resolve the nuclear question when he meets with Chinese President Jiang Zemin in Seattle, Nov. 19. Both Kim and Jiang will be attending the forthcoming APEC (Asia-Pacific Economic Cooperation) summit which is to be held Nov. 20.

Kim said he will also discuss with U.S. President Bill Clinton specific ways to increase cooperation between Seoul and Washington to resolve the North Korean nuclear issue during a meeting in Washington, D.C., Nov. 23.

Kim said efforts by the countries involved to resolve the nuclear question have now entered a "crucial" phase.

President Kim said he plans to convene meetings of security-related cabinet ministers as often as possible.

In yesterday's meeting which lasted for two hours, cabinet ministers reported that tension is mounting as North Korea is strengthening its military posture, Chong told reporters. But there have so far been few signs that the Pyongyang regime may lash out with a military attack on South Korea, they said.

They emphasized that North Korea should submit to inspections of its suspected nuclear facilities by the International Atomic Energy Agency (IAEA) and accept Seoul's demand for an exchange of special envoys between South and North Korea.

Participants in the meeting included Prime Minister Hwang In- song, Deputy Prime Minister and Minister of Unification Han Wan-sang, Foreign Minister Han Sung-chu, Minister of Home Affairs Yi Hae-ku, Defense Minister Kwon Yong-hae and Kim Tok, head of the Agency for National Security Planning.

Later in the day, President Kim, while attending the dedication ceremony of a building in Seoul for South Koreans whose hometowns are now in North Korea, said the government has detected some unusual movements recently by the North Korean armed forces. But the partial movement of the North Korean army was not enough to pose a threat to South Korea, Kim said.

The President said unless the North Korean nuclear issue is resolved, Seoul will not increase economic cooperation between the two Koreas.

Kim Tae-chung Proposes Deal To Solve DPRK Issue

SK1111092893 Seoul YONHAP in English 0714 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—The North Korean nuclear problem should be resolved in a package with other problems related to North Korea, veteran opposition leader Kim Tae-chung said in a lecture Thursday.

"It's true that North Korea is playing a nuclear gamble in desperation out of its economic hardships and international isolation, though how far its nuclear arms program has proceeded is not known," Kim told an audience at Chungang University's School of Journalism in a speech on the North Korean nuclear issue and national unification.

He said the package should include an offer to help North Korea establish diplomatic and economic relations with Western countries and a promise to halt the South Korea-U.S. "Team Spirit" military maneuver in exchange for North Korea's giving up plans to invade South Korea and halting its nuclear arms development program.

North Korea would accept such a package, because China and Japan would force it to accept by joining U.N. sanctions against North Korea, Kim suggested.

A North Korean plan to introduce a light water reactor would make it unable to produce nuclear weapons, he said.

Reiterating his three-phase unification formula, Kim, who retired from politics after failing in the presidential election last December, said the first phase of a union of the Republics could be easily implemented if North Korea's nuclear issue were solved.

To bring change in North Korea, there should be an exchange of radio and television programs, and if North Korea refuses to go along then South Korea should proceed alone, allowing people in the South to freely watch or listen to North Korean television or radio, Kim said.

Government To Create New Mechanized Army Corps

SK1211043093 Seoul HANGYORE SINMUN in Korean 12 Nov 93 p 1

[Text] A mechanized army corps with tanks, self-propelled guns, and armored vehicles will be created next month and deployed into the central and western fronts.

The newly established Army corps will be basically composed of two mechanized divisions: One is the existing mechanized division, and the other is a mechanized division that is being converted from the infantry division. This corps will also place the U.S. 2d Infantry Division stationed in South Korea under its command in times of war.

The ROK-U.S. Field Command, which was created after dissolving the ROK-U.S. 1st Army Corps, was also dismantled in June of last year. Since then, this project has been carried out to strengthen the ROK-U.S. combined defense system. Not like either the ROK-U.S. 1st Army Corps or the ROK-U.S. Field Command, the mechanized Army corps will be commanded by a ROK Army general. In wartime, this corps will execute its operational control over the U.S. 2d Infantry Division. It is therefore very significant.

According to the Defense Ministry and military officials concerned, the Army Headquarters has set 1 December as the date for the creation of the mechanized Army corps and is planning a work operation, including organization, personnel assignment, and equipment inspection. Also, it has discussed with the U.S. Forces Command in South Korea the enrollment of the U.S. 2d Infantry Division into the corps in times of war.

The Army now has three mechanized divisions and when this corps is founded, it will come to operate four mechanized divisions, including the two mechanized divisions under the corps, the Mechanized Division of the Capital, and the 20th Division.

Generally, the mechanized division is composed of one armored brigade (tanks), one artillery brigade (self-propelled guns), and two mechanized brigades (armored vehicles). In its firepower and mobilization, the mechanized division has combat capabilities equivalent to that of three infantry divisions. It has been learned, however, that approximately a trillion won is estimated to be needed to establish one division.

A relevant military official said regarding this that the mechanized corps will further strengthen the Army's mobilization capabilities, which has been weakened after the ROK-U.S. Combined Forces changed in the seventies its defense strategy from the mobilization strategy to the strategy of a fixed defense. This corps will be deployed into the areas, which are expected to be the main targets of a North Korean Army attack. Also, it can be capable of carrying out counterattacks on North Korean Army units in a time of emergency.

He added that the mechanized corps will play, in particular, a decisive role in defending the areas around the capital in times of war, because it will place the U.S. 2d Infantry Division—which is equipped with a ultramodern firepower and equipment—under its command in times of war.

Commentator Urges Reduction of Defense Budget

SK0811055293 Seoul HANGYORE SINMUN in Korean 8 Nov 93 p 12

[Commentary by military affairs commentator Chi Man-won: "The Military Can Survive Only When Its Forces Are Reduced"]

[Text] The economy has not been able to get out of the swamp of stagnation. The prospect for economic recovery is not seen even after eight months since the civilian government came to office. Because of this, people are fretful, and accordingly, their attention is focused on national defense expenses that exceeded 10 trillion won for the first time in history.

The draft of next year's national defense budget marks 10.49 trillion won. This figure shows a 9.6 percent increase from last year. However, the overall budget of the government increased by 13.7 percent from last year. National defense expenses have shown an average 12 percent increase each year from 1980 to 1992. However, the rate of increase in 1993 became dull, showing only a 9.5 percent increase.

The expenses for operation and maintenance, which are called rigid expenses [kyongjiksong kyongbi] in national defense expenses, stand at 7.357 trillion won, showing an 11.7 percent increase from the previous year. However, the expenses for new troop reinforcement program have been reduced by 79 percent from that of last year. Increase in the rigid expenses was prompted by the modernization of barrack facilities and by improvement in the treatment of professional soldiers. Although the budget for improvement of treatment is remarkably increased, the amount of improved treatment for each individual is insignificant. For example, the price for daily meals for one soldier increased to 1,479 won from 1,243 won, showing only a 236 won increase. This is in contrast to the price of meals for policemen. The price of meals for policemen increased to 2,185 won from 1,821 won.

Of total the national defense budget, 73 percent is rigid expenses for operation and maintenance. The amount of salaries for soldiers will have to be continuously increased and as a result, the rate of rigid expenses in national defense expenditure will gradually increase.

The number of youths who want to be professional soldiers, including the Military Academy, has been reduced. Accordingly, the quality of professional soldiers has fallen. In the event that the popularity of professional soldiers falls to such an extent that only homeless youths apply, serious problems will be raised. If the quality of professional soldiers falls while the scale of military power remains intact, the military will have to sacrifice the blood of many youths worthlessly in time of war. We cannot assign expensive technological equipment to such professional soldiers. If this trend continues for a few years to come, the quality of military equipment will be reduced to poor and the quality of professional soldiers will rapidly fall.

Starting now, the military should earnestly work out means for reducing the rigid expenses. Many people think that the rigid expenses cannot be reduced. However, the rigid expenses can be reduced in two ways. One is to boldly integrate organizations that are overlapped in the Army, Navy and Air Force and to dissolve nonessential and non-critical units. Another is to introduce a scientific method into military management. By boldly removing superfluous portions, not necessarily that in combat units, the military can cut more than 100,000 in a relatively easy way.

With this, national defense expenses will be considerably saved. If more than 100,000 troops are deployed on the economic front, they will undoubtedly contribute to increasing the Gross national product by more than three trillion won. Many people have a vague idea that if the Armed Forces are reduced, combat power will be naturally reduced. But this is an erroneous idea. If we do not readjust the present scale of military power, the military will rapidly be spoiled [manggajida]. The present era is the time of worldwide disarmament. Very few nations purchase military equipment and the production of military equipment has been drastically reduced. As a result, the cost of equipment has been rapidly increased even by two times in average for the past three years.

The duration for the ROK Army to decide on the purchase of equipment is more than seven years. In other words, we have to buy equipment, which costs only one trillion won now, by paying three trillion won after seven years.

We are paying more defense expenses to the U.S. Forces in Korea. The war-deterrent role has been exercised 100 percent by the U.S. Forces in Korea. Even if the ROK Army is increased by two times from the present, the deterrent role cannot be shifted.

It is necessary for the ROK to become wise, as were Japan and former West Germany. The ROK Army should enhance the function of its brain while reducing its body. If the ROK Army has the similar mental capability, it will be able to jointly exercise the war-time operational control together with the U.S. Army.

DLP, DP Agree To Reconvene Assembly Session

SK1011082093 Seoul YONHAP in English 0724 GMT 10 Nov 93

[Text] Seoul, Nov. 10 (YONHAP)—The ruling and opposition parties agreed to put the National Assembly back on track Wednesday, one week after it was derailed over opposition demands to settle the account of past affairs and possible revision of the national security law.

Floor leaders of the two parties reached the agreement to resume the assembly session when they met at a banquet given by President Kim Yong-sam for Singapore's Prime Minister, Goh Chok Tong, at Chongwadae [presidential offices] on Tuesday evening.

The assembly is, as a result, expected to convene Thursday to begin preliminary deliberation on the 1994 draft budget.

A compromise was worked out between the ruling Democratic Liberal Party [DLP] and the opposition Democratic Party [DP] after the DLP indicated it was prepared to discuss revision of the national security law, sources said.

That does not mean, however, that there will be a change in the DLP's position on the national security law, the sources said.

The floor leaders were said to have only agreed that if the two sides could not discuss a revision of the controversial law at the current session, they would take it up at an extraordinary session next year.

What must have happened, the sources said, was that the opposition party had arrived at the conclusion that it could not afford to press the DLP and the government for revision of the national security law while the North Korean nuclear issue is an international concern and while Pyongyang was said to be making "unusual moves" threatening the security of South Korea.

DLP Floor Leader Kim Yong-ku, following the meeting with his DP counterpart Tuesday evening, tried to set the record straight when he said they did not agree to revise the law but to discuss the question at next year's extraordinary session.

As for the opposition demand for settling the accounts of events that took place during past administrations, the DLP's position has prevailed on the whole, the sources said.

The Democratic Party had demanded that the government cooperate in its efforts to obtain the truth about the kidnapping of former opposition leader Kim Tae-chung in Tokyo by a group of Koreans, believed to be South Korean security agents, 20 years ago.

The DP had also asked that the National Assembly investigate the so-called three large irregularities of past administrations, including alleged irregularities in the Yulgok military buildup program. But the opposition party apparently had to agree to resuming the assembly session after deciding to remove their demands, especially for investigation of the Kim Tae-chung kidnapping and revision of the national security law.

The DP must have been painfully aware of the "critical glance of the people" being cast in its direction, looking for the responsible party for the National Assesmbly's inaction, the sources said.

Home Ministry To Begin Internal Investigation

SK1211042393 Seoul YONHAP in English 0104 GMT 12 Nov 93

[Text] Seoul, Nov. 12 (YONHAP)—The Home Affairs Ministry plans to launch its largest ever internal investigation of lower-ranking officials for irregularities or corrupt practices and reorganize its personnel structure by the end of the year. The action will be taken after the ministry completes its probe of personal assets registered and disclosed by officials of grade one and above next week, ministry officials said Friday.

As a result of its investigation on the high-ranking officials, the ministry believes it has removed corruption from the higher echelons, but a considerable amount of irregularities remain among lower-ranked officials, in addition to their lethargic and "don't-rock-the-boat" attitude.

The reform drive will primarily be directed towards officials between grades five and nine or about 187,000 officials, except police officers.

The investigation will be followed by what officials expect to be the largest reshuffle of officials since President Kim Yong-sam's administration was launched in February, they said.

Investigators will primarily look into those who have unusually large real estate holdings that were not inherited from their parents, those who have three or more houses, and those who are suspected to have speculated in real estate. They will also check those officials who are suspected of using their positions in influence peddling and those who have done little in the way of their jobs, the officials added.

Nuclear Safety Check Computer Program Developed

SK1111040993 Seoul YONHAP in English 0136 GMT 11 Nov 93

[Text] Taejon, Nov. 11 (YONHAP)—Software that performs safety checks on nuclear power plants and runs on a personal computer has been sold to the U.S. Energy Power Research Institute (EPRI) by its Korean developer. The Korea Atomic Energy Research Institute (KAERI) said Thursday that one of its research teams wrote the program and it sold the program to EPRI for 150,000 U.S. dollars last month after it was recognized by the International Atomic Energy Agency (IAEA). KAERI is pinning many hopes on its first deal with an advanced country as EPRI is financed by 50 nuclear power stations in the United States.

The software, which runs on a PC, makes comprehensive checks on the safety facilities that make up 50 percent of nuclear power plant facilities and is a precautionary system that maintains facility operation at a certain level to prevent leakage. Other programs only work on mainframes, and the Korean software is unique in running on a personal computer, a KAERI spokesman said.

It takes about three hours for a mainframe to make a safety check on a reactor, while a PC can accomplish the same task in just 30 minutes using the KAERI program, he said.

In addition, only five people are needed to perform the check instead of the current 10.

Ministry Estimates Rice Harvest Down 11%

SK1111093393 Seoul YONHAP in English 0824 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—This year's rice crop is estimated at 32.98 million sok (4.75 million tons), a drop of 4.04 million sok (10.9 percent) from last year, the Agriculture, Forestry and Fisheries Ministry said Thursday. (1 sok is 144 kilograms.)

The figures, based on a survey of 10,370 rice fields, contrast with the government's forecast early this year that the harvest would increase 2 percent this year to 36.5 million sok. The poor harvest is due to a cool summer.

This year's harvest is 3.52 million sok (9.6 percent) below that goal and 2.97 million sok (8.3 percent) less than the average.

Of the lost rice, cool weather was responsible for 2.97 million sok, a reduction in planting for 640,000 sok, and a low yield for 430,000 sok, Ministry statistical official Yi Pum-po said.

The loss due to weather cost farmers 550 billion won (679 million U.S. dollars), assuming the rice was first grade, or 0.18 percent of the gross national product last year.

Damage was serious in hilly inland areas in Kangwon and northern North Kyongsang Provinces and the vicinity of Mt. Chiri.

By region, damage was worst in Kangwon Province at 27.4 percent, followed by North Kyongsang at 23.2 percent, Taegu, 18.9 percent, South Kyongsang, 15.1 percent, and Taejon, 11.3 percent.

The government is discussing with the ruling party ways to giving support to afflicted farmers.

PRC Cuts Into ROK Exports to Advanced Countries

SK1111041493 Seoul YONHAP in English 0218 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—Chinese and South Korean exports to advanced countries were almost the same in 1990, but now China is shipping nearly twice as much as Korea, the Korea Foreign Trade Association

(KFTA) said Thursday. In 1990, exports to the United States, Japan and the European Community were 36.9 billion U.S. dollars for China versus 37.7 billion dollars for Korea. They are 53.1 billion dollars to 29.6 billion dollars using the most recently available data—January-August for exports to the United States, January-September for Japan and 1992 for the EC.

Total January-September exports are estimated at 61.2 billion dollars for China to 59.4 billion dollars for Korea. Figures are unavailable for Chinese exports to the EC this year.

In the U.S. market, the figures are 15.2 billion dollars to 18.5 billion dollars in 1990, and 19.7 billion dollars to 11.3 billion dollars in January-August.

In the Japanese market, they are 12.1 billion dollars to 11.7 billion dollars in 1990 and 14.5 billion dollars to 8.5 billion dollars in January-September.

In the EC market this year, the gap is estimated to widen. The latest figures are 10.6 billion dollars to 6.6 billion dollars in 1990, and 18.9 billion dollars to 9.9 billion dollars in 1992.

Three Korean Companies Buy Out Foreign Firms

SK1111093293 Seoul YONHAP in English 0222 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—Three leading industrial concerns in South Korea have taken over foreign companies to increase their competitiveness and strengthen their local production base. Hyundai Electronics Co. bought 51 percent of the U.S. semiconductor research and development firm Bright Microelectronic Ink Co. (BMI) for 2 million U.S. dollars in the middle of the year. BMI is a leader in flash memory.

It recently took over the U.S. firm Maxtor Co. at a cost of 150 million dollars. Owning Maxtor, the fourth largest maker of hard disk drives, increases Hyundai's international competitiveness in computers and reduces its royalty payments.

Daewoo Motor Co. is in the process of buying the British car design firm International Automotive Design Co. to make it more competitive in this area. Daewoo will pay 1.5 million dollars for the company and the take-over will be complete by the end of the year.

Samsung Display Devices Co. took over the former East German company Werk Fur Fernsehelektronik GMBH in September last year. The maker of cathode-ray tubes is now called Samsung Elektronische Bauelemente GMBH.

Government Moves To Boost Foreign Investment

SK0811060493 Seoul YONHAP in English 0433 GMT 8 Nov 93

[Text] Seoul, Nov. 8 (YONHAP)—The South Korean Government decided Monday to largely reform conditions for foreign investment in Korea and ease restrictions on South Korean investment overseas. It will drastically relax administrative and foreign exchange controls in order to stimulate exports. In addition, the government offered blueprints for each major industry to help them boost exports.

The government convened a meeting of some 300 representatives from trading firms and members of the new economy promotion committee at Chongwadae Monday and submitted its report to President Kim Yong-sam.

Finance Minister Hong Chae-hyong, who submitted the report, said that the government will allow foreign investors in all business sectors where foreigner's investment is allowed by law to purchase office space and land and up to 200-pyong (one pyong equals 3.3 square meters) plot of land for housing their employees from March 1994.

Manufacturers will be allowed to acquire plots of land without having to obtain government approval. They would be required to report after the acquisition.

Hong said that if foreigners want to invest in advanced technology industries, they will be allowed to bring in up to 100 percent of the funds to buy materials for facilities from abroad.

The government will take a couple of measures to lessen the tax burden on foreign owners of unlisted companies, he said. Under the new plan, Hong said, foreign invested companies of advanced technology will be allowed to import capital equipment, including manufacturing machinery, freely, removing the requirement to buy some equipment from sources other than Japan.

In order to facilitate the solution to labor disputes at foreign-owned companies, the government will form a specialized mediating unit in the Labor Ministry.

It will shorten the period from 30 days to 10 days during which the government will take care of applications by foreign investors. It will practically liberalize imports of technology, other than those of the defense industry and highly advanced technology, by waiving the requirement to report to the government by the importers.

In a move to help Korean businesses invest in foreign countries, the government will relax restrictions on investments by textile manufacturers, wholesalers and retailers of general merchandise, and commercial building owners.

The number of business types subject to government restriction for overseas investment will be reduced from the present 30 to 13.

It will also allow insurance companies and other institutional investors to acquire real estate in foreign countries if their investment is aimed at operating their funds.

In addition, the government will step up its support for companies to draw foreign capital, by enlarging the eligible recipients of foreign demoninated loans and taking other measures. It will reform the foreign exchange system to allow the issuance of securities overseas and draw foreign commercial loans.

Trade, Industry and Energy Minister Kim Chol-su said that to boost the country's exports, the government will allow traders to ship commodities worth up to 20,000 U.S. dollars, up from 10,000 dollars, without registering them with the government.

To help exports of automobiles and other major products, the government will in principle allow non-financing companies to establish leasing or factoring companies abroad. In the case of large business groups, it will allow them to accept and discount commercial bills even before the arrival of the letter of credit, with only the letter of export contract.

The government's vision for exports calls for transformation of the textile industry into a technology-intensive industry, a recovery of the international competitiveness of the footwear industry and strengthening of marketing activities in foreign countries.

It also envisages the development of special steel and the diversification of overseas markets for value-added Korean products.

The government will also lead the automobile industry to increase its production capacity and develop new models while trying to help the shipbuilding industry maintain a competitive edge over foreign shipyards.

It will promote capital investment and research and development by semiconductor makers, raising the self-reliance rate in plant and equipment from 16 percent in 1992 to 56 percent in 1997 and that in materials from 33 percent to 70 percent.

Agriculture, Forestry and Fisheries Minister Ho Sin-haeng said the government-owned Agricultural and Fishery Products Distribution Corp. will be upgraded to an organization to handle exports of agricultural products. He will set up a permanent exhibition center in Japan to develop a market for Korean products in the neighboring country.

Construction Minister Ko Pyong-u said his ministry will support overseas construction projects by Korean companies, raising the amount of loans on deferred-payment financing from 60 percent to 70 percent of the contract amounts and the ceiling of the loan amount to 100 million U.S. dollars from the current 60 million dollars.

Government To Lift Financial Restrictions

SK1111035493 Seoul THE KOREA HERALD in English 11 Nov 93 p 8

[Text] The government has decided to allow 13 domestic financial institutions to increase paid-in capital or go public in the first quarter of next year, the Ministry of Finance said yesterday.

Under the ministry action, four securities companies, seven insurance firms and one short-term financing company will increase their paid-in capital by a total of 220 billion won (some $271 million) in the first quarter.

The total will break down into 100 billion won for the Sin Hung, Korea Investment, Tong-A and Samsung securities firms, another 100 billion won for Tae Han, Haedong, Koryo, Oriental, First, Korea Automobile insurance companies and Korean Reinsurance Co., and 20 billion won for Central Investment & Finance Co.

Meanwhile, Korea Merchant Banking Corp. will be permitted to go public and raise an additional 30 billion won in capital through rights offering.

Concrete timing and volume of the capital increase of each company will be later fixed after a series of negotiations between the ministry and financiers, a ministry spokesman said.

The public offerings by local financial institutions will become the first in about three and a half years. As part of powerful stock market boosting measures, the ministry announced on May 8, 1990, that it would ban all financiers from raising capital or going public until the market had recovered.

As the Seoul stock market has shaken off a lengthy slump, the ministry has decided to lift the restrictions in an attempt to help domestic financial institutions secure more operational funds, the spokesman said.

To minimize possible negative effects stemming from the he capital increase, however, the ministry will order the permitted financial institutions to use 50 percent of the funds raised through the offerings for the purchase of stocks on the Korea Stock Exchange, he said.

Under the rule, brokerage houses will have to deposit 25 percent of the funds with the Securities Stabilization Fund and spend another 25 percent for the purchase of stocks.

Insurance and short-term financing companies will have to set aside 50 percent of the funds for the purchase of stock-type beneficiary bonds now being dealt by investment trust firms.

Foreign Loans To Finance Infrastructure Projects

SK1011045793 Seoul THE KOREA HERALD in English 10 Nov 93 p 8

[Text] To finance large-scale public projects, the Korean government will introduce $2.83 billion in loans from abroad next year, the Ministry of Finance said yesterday. Banque Indosuez and other French financial institutions will extend $2.74 billion in loans to the Seoul government next year to help finance its construction of the 430.7 km-long highspeed railway linking Seoul and Pusan. The public loans will be composed of a $1,915 million export credit and an $825 million tied loan, the ministry said.

The export credit carrying an annual interest rate of 6.28 percent or LIBOR (London interbank offered rate) plus 0.75 percent will be repayable within 18 years after an eight-year grace period, whereas the tied loan with a repayment period of 15 years after a grace period of eight years will carry a yearly interest rate of LIBOR plus 0.75 percent.

For the construction of a big sewage disposal plant in Pusan, the government will introduce $70 million in soft loans from the IBRD (International Bank for Reconstruction and Development) in 1994.

The IBRD lendings with a repayment period of 15 years after a five-year grace period will carry an international floating rate, now standing at 7.43 percent per annum.

Another $20 million loan will be extended by the IBRD to the Seoul government next year to help finance its establishment of a facility with an annual disposal capacity of 70,000 tons of noxious industrial wastes, on the same conditions.

The IBRD loans, designed to improve the industrial environment, will be the last South Korea receives from the international financial organization, a ministry spokesman said. The country is to graduate from the IBRD list of beneficiaries in June 1995.

Employment Situation Improves in September

SK0911082993 Seoul YONHAP in English 0706 GMT 9 Nov 93

[Text] Seoul, Nov. 9 (YONHAP)—The employment situation, which turned for the worse in the first half of the year, showed signs of improving in September, with growth in the number of jobless slowing down.

The number of the unemployed still grew in September, up 44,000 over a year earlier to 494,000, but the growth represented a sharp decline from 130,000 averaged in last June and July, Labor Ministry officials said Tuesday.

Despite the continuing increase of unemployed people, the unemployment rate receded from 3 percent in April to 2.8 percent in May, 2.7 percent in June-July, 2.6 percent in August and 2.4 percent in September.

The working population expanded by 418,000 people in September to 19,685,000, compared with rises of 40,000 in March and April.

The manufacturing sector, which shed more than 300,000 jobs a month in March and April, chopped only 76,000 jobs in September, a sign that the employment situation in that sector has bottomed out.

Stock Market Registers New High in Share Prices

SK0911131093 Seoul YONHAP in English 0914 GMT 9 Nov 93

[Text] Seoul, Nov. 9 (YONHAP)—Share prices rose to the year's high in mixed trading on the Seoul stock market on Tuesday as investors, holding bright prospects of the economy, focused on blue chips.

The Korea composite stock price index went up 4.73 points to the year's new high of 780.20, compared with the previous high of 777.25 on June 9. It was the highest in more than three years since the 796.77 registered on Oct. 24, 1990.

Low price-book value ratio (PBR) and low price-earnings ratio (PER) issues, including steel, electric machinery, insurance and wood firms, soared, while low-priced issues of less than 10,000 won and low intrinsic-value issues dropped.

Toward the end of the session, investors, keeping a wary eye on the soaring market, took profit on issues that had climbed over the past days.

Declines led advances 516 to 403, including 259 that rose to the day's upper limits, while 48 remained unchanged.

Volume traded totaled 51 million shares worth 1,016 billion won.

Academy To Recognize Electrical Goods Safety

SK1111121393 Seoul YONHAP in English 1203 GMT 11 Nov 93

[Text] Seoul, Nov. 11 (YONHAP)—The Korea Academy of Industrial Technology (KAIT) has been designated as an organization to issue international recognition of electrical equipment.

A KAIT official said on Thursday that his Academy was granted the authority at a meeting of the International Electro-Technical Commission (IEC) held in Sydney, Australia on last Nov. 5.

He said the KAIT has been authorized to determine the recognition of about 100 electronics-appliance goods like television sets, VCR's and audio equipment, and 64 motor-appliance items such as refrigerators, electronic ranges and hair dryers.

With the designation, Korean electrical goods producers, when they export their products to one of the 35 IEC-member countries, no longer need to obtain the recognition of their items from the testing organization of the country their items are shipped.

Instead, they can obtain necessary recognition from the KAIT to save both expenses and time, the official said.

Obtaining the recognition of an item from a foreign testing organization usually takes three months to a year and costs 4 to 10 million won.

But, a KAIT recognition would be available to domestic producers in a period of less than one month and at the cost of about 1 million won, he added.

Hyundai Not Allowed To Register on OTC Market

SK1111034493 Seoul THE KOREA HERALD in English 11 Nov 93 p 8

[Text] Hyundai Heavy Industries Co. and two other Hyundai affiliates will not be allowed to register with the over-the-counter (OTC) market, the Korea Securities Dealers Association (KSDA) said.

The two other subsidiaries of the Hyundai Business Group are Hyundai Housing & Industrial Development Co. with a paid-in capital of 72 billion won and Hyundai Elevator Co. with capitalization of 10 billion of 10 billion won. The capitalization of Hyundai Heavy Industries Co. amounts to 211 billion won.

The KSDA cited an expected oversupply of shares by the three firms as the main reason for keeping them from registering with the OTC market.

"If the three companies affiliated with the giant business conglomerate are permitted to be traded on the OTC market, the stock market will be hurt by an oversupply of shares," the KSDA said.

If the Hyundai companies are allowed in, about 1.35 trillion won worth of new shares, in terms of market value, will pour into the OTC market, according to the KSDA's estimate.

"That might make stock investors divert part of their funds on the Korea Stock Exchange into the OTC market, possibly having a negative impact on the stock prices," the KSDA said. However, there seems to be other reason for the KSDA not to authorize the three Hyundai subsidiaries to be traded on the OTC market, business and securities sources said.

Behind the decision by the KSDA, they presumed, was the fact that relations between the government and the Hyundai Business Group have been sour since Chong Chu-yong, founder of Hyundai, ran in the 1992 presidential election.

They said it is unfair for the KSDA not to allow the three Hyundai companies to be traded on the OTC market compared to the cases of other business companies.

This year alone, Ssangyong Construction Co. with a paid-in capital of 94.9 billion won and the Peace Bank of Korea with a paid-in capital of 273 billion won were authorized to register with the OTC market. Samsung Heavy Industries with a paid-in capital of 160 billion won was also permitted to go public by the Securities Supervisory Board this year.

Brunei, Malaysia & Singapore

Malaysia

Military on Sending Ships to Somalia, Bosnia

BK1111084793 Kuala Lumpur BERNAMA in English 0700 GMT 11 Nov 93

[Text] Port Klang, Nov 11 (OANA-BERNAMA)—A Royal Malaysian Navy ship might be deployed off the coast of Bosnia to assist the Malaysian battalion Malbatt serving with the United Nations peacekeeping forces there.

Armed Forces Chief General Abdul Rahman Abdul Hamid said the ship could serve as a floating logistics base.

It would form part of Malbatt's contingency plans as the situation in the former Republic of Yugoslavia was deteriorating, he told reporters after bidding farewell to the supply ship K.D. [Royal Vessel] Mahawangsa which left for Somalia from here Thursday.

He said a floating logistics base was necessary to send supplies to Malbatt in Bosnia because delivery by air and land was becoming more difficult and dangerous.

The 4,500-tonne K.D. Mahawengsa, under the command of Commodore Zainal Dali, is carrying supplies and equipment, including four condor armoured carriers to replace those destroyed in an attack at Bakara market, Mogadishu, on October 4. One Malaysian was killed in the incident.

The Malbatt troops in Somalia, who have been there for more than four months, were expected to be replaced by the Seventh Rangers next month.

The voyage to Somalia was expected to take 11 days. Part of the ship's 200-man crew consisted of foreign officers undergoing training in Malaysia.

'Some 130' Vietnamese Refugees Repatriated

BK1111140893 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 11 Nov 93

[Text] Some 130 Vietnamese refugees left for home this morning under the voluntary repatriation program. Mr. Kamaruzzaman Mohamed Murad, the Federal Task Force's deputy director general of repatriation, said that within the three years since the program was launched, 2,493 Vietnamese refugees have returned to their country of origin. He said the reasons for their departure are, among other things, their wish to reunite with members of their families and to begin a new life in Vietnam.

Daily Suggests Review of U.S. Nuclear Policy

BK1011152593 Singapore THE STRAITS TIMES in English 10 Nov 93 p 26

[Editorial: "US Flip-Flop on Nukes"]

[Text] The United States needs to make a thorough review of its policy on the use of nuclear weapons. This would begin soon, a Defence Department official announced last week. Hopefully, it will take a critical look at some of the basic principles that have shaped the U.S. defence posture. The effort now must be to reverse the arsenals and military structures that were built to contain a rival superpower, which ceased to exist when the Soviet Union collapsed two years ago. The Cold War has ended but the mindset it spawned has not changed sufficiently. There could be a temptation to redefine the concept of deterrence in order to justify preserving a sizeable arsenal, while seeking to prevent other countries from acquiring atomic weapons. This incongruity in U.S. policy needs to be corrected.

The spread of nuclear weapons now poses a greater danger to the world. Some countries have already acquired the capability to produce devices. By the turn of this century, the potential risk of proliferation could be considerably higher. The U.S. has made prevention one of its key foreign policy objectives, but it must set the right example by making non-proliferation and de-nuclearisation parts of a single policy. Unless there is an explicit commitment to disarmament and a process aimed at reaching such a goal, it will be hard to build an enduring global consensus against proliferation.

As steps in this direction, the United States should take initiatives to make the policies of the nuclear powers less offensive and their arsenals much smaller. The policy of reserving the right to use nukes as a first strike weapon should be abandoned. It is unfortunate that Russia's new military strategy also includes the first-strike option, reversing the policy of "no first use" that it had pursued over the past decade. A government spokesman justified this shift by saying that it was not different from the policies of the United States, Britain or France. Moscow has also reserved the right to use atomic weapons against non-nuclear states if it perceives them to have caused aggression or assisted an aggressor. This has been part of U.S. policy for many years. It is not clear, however, if Russia has also adopted another aspect of U.S. policy that retains the freedom to retaliate with nuclear arms if attacked by chemical or biological weapons. But in one respect Moscow has gone beyond Washington by treating its nuclear arsenal as a deterrent needed to prevent local conflicts from developing into full-blown wars.

Hopefully, in reviewing its policy, the United States will not decide to freeze the process of arms reduction or allow the implementation of existing agreements to slow down. Its agreement with Russia last year does call for a drastic cut-back of their arsenals, but it will still leave them with several thousand warheads, more than what they possessed in the 1960s. In this regard, a disturbing aspect of Moscow's new defence doctrine is that its commitment to disarmament, which it previously championed, appears to have weakened. This increases the significance of the review that the United States will be making of its nuclear policy.

Preventing nukes from spreading will not be an easy task. But it will be much harder if such efforts are not combined with de-nuclearisation. Although most countries are parties to the Nuclear Non-Proliferation Treaty, the regime does not enjoy universal adherence. This is important. If one country goes nuclear, it can set off a chain-reaction effect, especially in unstable regions. Furthermore, as the recalcitrance of Iraq and North Korea has shown, the norm against proliferation is not strong enough. The situation in South Asia reveals a deeper problem. India refuses to renounce the nuclear option unless those who possess such weapons agree to do likewise or engage in a process leading to global disarmament. It is time the United States took a closer look at its nuclear policy.

Singapore

Judge Rejects Analysis Request in Secrets Case

BK1111111193 Singapore THE STRAITS TIMES in English 11 Nov 93 p 26

[By Warren Fernandez and Brendan Pereira]

[Text] Why was the secret memo sent by the Department of Statistics [DOS] to the Trade and Industry Ministry [MTI] altered and by whom?

Defence lawyer Michael Khoo raised this question yesterday when he asked that the memo be sent to the Department of Scientific Services for an analysis of the document. His request was turned down, with Senior District Judge Richard Magnus ruling that there was no basis for such a test.

Making the submission, Mr. Khoo said that the memo, sent by the DOS to MTI on June 29 last year, referred to flash estimates based on April and May data being 4.6 per cent. But, the words "and May" had been cancelled out.

He noted that when the trial was in camera, one of the three senior Internal Security Department [ISD] officers said that the pen stroke of the cancellation appeared to be thicker than the signature of the document.

Mr. Khoo also recalled that, in her testimony, DOS statistician Miss Long Chu said that the ministry did not refer to quarterly flash estimates on a monthly basis. Therefore, it would be unusual for the DOS to say in the memo that flash estimates of 4.6 per cent was based on April data. He said that the amended memo suggested that computation of the flash estimates was based on April data.

This coincided with what was written in a document that Raymond Foo sent to Crosby Securities offices worldwide on the Singapore economy.

The cancellation of the words "and May" in the secret memo may have been to help establish the link between the leak that DOS was concerned about and what was found in the Crosby document, he suggested. It was thus necessary to find out who made the cancellation and why.

Replying, Attorney-General Chan Sek Keong said that he could not see the need for an examination of the memo. He noted that when the memo was sent to the ISD by the MTI on June 30, the words had already been cancelled.

Also, ISD officers learnt of the fax by Foo much later then the secret memo.

Government Economist Speaks at Secrets Trial

BK1111100293 Singapore THE STRAITS TIMES in English 11 Nov 93 p 26

[By Warren Fernandez and Brendan Pereira]

[Text] A government economist yesterday told the court that he did not pass classified information to Crosby Securities analyst Raymond Foo, nor give confirmation when asked by Foo about the data.

Mr. Kelvin Quek, a senior assistant director in the Trade and Industry Ministry's [MTI] research division, maintained that Foo knew the official flash estimates when the analyst asked him about it at a lunch on June 19 last year.

"From the expression on his face, I sensed that he already knew the figure. He said it with a knowing tone. It was such a spot-on figure.

"So I knew that the figure had been leaked," said Mr. Quek, who was an assistant director with the MTI at the time of the lunch.

He made these points on day 15 of the trial of five men charged under the Official Secrets Act for receiving and passing on classified information. Foo is one of the five men being tried together.

Hearing resumed in open court yesterday, after three senior ISD [Internal Security Department] officers had given evidence over five days behind closed doors to protect their identities. Transcripts of their testimonies will be released later.

Responding to queries from Deputy Public Prosecutor Errol Foenander, Mr. Quek recalled that while on their way to lunch on June 19 1992, Foo had asked him quite suddenly why economic growth for the second quarter was so low.

Mr. Quek, who had come across the lower-than-expected 4.6 per cent growth figure a few days earlier, was surprised and said: "You mean you know?" Foo replied: "It is 4.6 per cent, right?" Mr. Quek said: "How do you know?" Foo: "We know, lah." [lah—Malay expression used as suffix to emphasize the preceding word]

Mr. Quek told the court that he later expressed his "shock and indignation" to Mr. Choy Xeen Meng a former economist with the Monetary Authority of Singapore, who was also at the lunch, that classified information had been leaked.

During lunch, Foo had also asked questions about the growth estimates for various sectors of the economy. He replied with vague non-committal and qualitative answers, said Mr. Quek. He noted that the sectoral figures that Foo reported in a fax sent to Crosby sales offices abroad later that day were quite far off from the actual figures.

Turning to the June 29 report in BUSINESS TIMES [BT], which cited the official flash estimates, Mr. Quek said that he thought at the time that the report might implicate Foo's firm. He added that Foo had seemed a bit concerned when told at another lunch with him and Mr. Choy, held after the BT report was published that an official enquiry had been launched into the leaks.

Foo had remarked that the authorities should not make a big fuss over it, he said.

Mr. Quek also disclosed that he expected he would be called up to the ISD, since he was one of the few people who had access to the classified data. But he did not mention the June 19 lunch in his first statement to the ISD on August 15, 1992, as "Foo was my friend and I did not want to be the one to lead the ISD to him".

Later, in three further statements to the ISD, he told the ISD about the lunch with Foo, whom he had known since 1984. He gathered that Foo had already been interviewed by the ISD by that time, he said. He also thought then that he was under suspicion by the ISD since he had not disclosed his friendship with Foo initially, he said.

Under cross-examination by defence lawyers later, Mr. Quek said that he had told Foo that the MTI compiled three flash estimates for each quarter. He had also given him a simple explanation of how this was done.

Later, in response to queries from Mr. Chelva Rajah, counsel for Tharman Shanmugaratnam, he conceded that it was not right for him to have done so, as that was also classiffed information.

Asked if he would have been more guarded if a journalist, and not Foo, had asked him about the flash estimates he maintained at first that he would have reacted the same way as he had done with Foo. But on further questioning, he said he might have reacted differently if someone else had asked the questions. Foo was a friend, whom he had no reason to believe was out to deceive him. It also did not occur to him that Foo did not know the figures but was guessing, he said.

The hearing, which has been extended again beyond the November 12 date set for the close of the trial to November 26, continues today with Mr. Quek returning to the stand.

Government To Launch Satellite Broadcast Service

BK1011144293 Singapore Singapore Broadcasting Corporation in English 1110 GMT 10 Nov 93

[Excerpt] The Minister for Information and Arts, Brigadier General George Yeo, announced the setting up of a regional satellite broadcast service on 1 January. Called the Singapore International TV, it will feature one hour of news, documentaries, and entertainment programs every evening from 10 to 11 p.m. [1500 GMT] Singapore time. This will include a live transmission of SBC [Singapore Broadcasting Corporation] English news at 1030. Gen. Yeo said the Singapore Government had agreed to fund a satellite service to be offered by the Singapore International Foundation, the SIF. It will be launched on Indonesia's Palapa satellite and it will be possible to receive the service over a wide geographical area from Shanghai to Darwin. [Hong Kong AFP in English at 1206 GMT on 10 November, in a similar report, adds: "An industry source said that Radio-Television Brunei (RTB) will broadcast an hour-long news and current affairs programme in the Malay language before SBC goes on air at 10 p.m. (1400 GMT) daily.

["The source said that RTB had been discussing the venture with the SBC and the SIF since early this year."]

Gen. Yeo described the service as a government's first foray into satellite broadcasting. Gen. Yeo also said the government will make cable tv widely available in Singapore. This is in response to increased competition in tv broadcasting.

The minister also said the government is working on a plan to provide every household in Singapore a cable capacity of over 100 channels. He said a comprehensive cable network will make Singapore a leader in information technology infrastructure. This will also reduce the desire for satellite dishes and enable the government to cut out pornographics or incendiary channels. [passage omitted]

Cambodia

King Confers Titles on Occasion of National Day

BK1011130993 Phnom Penh AKP in French 1140 GMT 10 Nov 93

[Text] Phnom Penh 10 Nov (AKP)—In decrees from the Royal Palace, His Majesty Norodom Sihanouk, King of

Cambodia, decided on new nominations of high-ranking Cambodian personalities on the occasion of the 40th national day (9 November).

According to the decrees, Mr. Chea Sim, chairman of the Cambodian People's Party (CPP) who currently is leading the National Assembly, was accorded the title of "Samdech Chea Sim of the Kingdom of Cambodia." His Royal Highness Prince Norodom Ranariddh, a son of His Majesty the king, chairman of the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, and prime minister (premier) of the Royal Government, is named "Samdech Krompreah Norodom Ranariddh of the Kingdom of Cambodia."

His Majesty the king also elevated the wife of Prince Ranariddh to the rank of Her Royal Highness Princess Norodom Marie Ranariddh. Princess Norodom Bopha Devi, a daughter of His Majesty Norodom Sihanouk, was appointed adviser to the Royal Government in charge of cultural and artistic affairs. Mr. Khek Sisoda was appointed ambassador extraordinary and plenipotentiary of the Kingdom of Cambodia to China and Mr. Teap Ben general with four golden stars and member of the Military Council of His Majesty the king of Cambodia.

Madame Ku Run was appointed honorary member of the cabinet of His Majesty with the rank of state minister. Other personalities were also appointed honorary members of the royal cabinet; Madame Ang Kimkhoan with the rank of minister, Mr. and Mrs. Tan Dinh with the rank of ambassadors (both), and Mr. Nut Chhoeum also with the rank of ambassador.

Ranariddh Thanks King for Title

BK1111074793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 11 Nov 93

[Message from First Prime Minister Prince Norodom Ranariddh to His Majesty King Norodom Sihanouk dated 9 November—read by announcer]

[Text] To Revered His Majesty Norodom Sihanouk, king of the Kingdom of Cambodia.

I have just received, with overwhelming emotion, Your Majesty's decree appointing me as Samdech Krompreah of the Kingdom of Cambodia. I would like to express my profound gratitude and loyalty to you for granting me the distinguished honor.

Availing myself of this opportunity, I would also like to be permitted to thank Your Majesty for having rendered me justice by recalling my mission in leading the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] Party. It is true that the mission was conducted through difficulties and required fortitude and sacrifices; however, what the FUNCINPEC Party did in bringing about success was nothing but loyalty to Your Majesty, the famous king father, and the unswerving implementation of your correct policy. It is the FUNCINPEC Party's unswerving loyalty that is the major factor in bringing about the Cambodian people's victory in the struggle for Cambodia's national independence.

The great honor constitutes a sublime reward for the FUNCINPEC and all the people who loyally follow Your Majesty's policy.

To repay the fine deed, I and all the leaders and active members of the FUNCINPEC Party vow to join hands with the Cambodian People's Party and other other political parties to defend national independence, territorial integrity, and sovereignty and rebuild the Kingdom of Cambodia in line with Your Majesty's policy, thereby allowing the Kingdom of Cambodia to again become an oasis of peace as in the glorious era of Sangkum Reas Niyum.

Moreover, we can never forget the fine deeds of Your Majesty, who has agreed to again accede to throne, in accordance with the Cambodian people's wish, so you can become a cool shade for all your children. All of us, your children, are resolutely determined to continue following Your Majesty's policy.

We wish to pray that the Triple Jewels, the Goddesses protecting the Royal White Parasol, and all sacred things protect Your Majesty. May you quickly recover from your illness so you can return to the beloved motherland and continue to rule over your subjects.

We would also like to convey greetings and thoughtful and highly respectful sentiments to Queen Norodom Monineat Sihanouk.

Your Majesty, please forgive me for causing you any inconvenience.

[Dated] Phnom Penh, 9 November 1993
[Signed] Norodom Ranariddh, first prime minister of the Royal Government of Cambodia and chairman of the FUNCINPEC Party

Ministers Hold Talks With DPRK Delegation

BK1011125793 Phnom Penh AKP in French 1047 GMT 10 Nov 93

[Text] Phnom Penh 10 Nov (AKP)—Prince Krompreah Norodom Ranariddh and Mr. Hun Sen, "first" and "second" prime ministers of the Royal Government of Cambodia (RGC), last Monday [8 November] held talks with the DPRK Government delegation headed by Kang Song-san, premier of the State Administration Council, currently on an official visit to the Kingdom of Cambodia.

The two sides informed each other of the situation in their respective countries and on the international stage. The talks proceeded in an atmosphere of cordiality and solidarity.

On behalf of His Majesty King Norodom Sihanouk, the Cambodian side warmly thanked the North Korean Government for its precious aid to the Cambodian people, and considered this visit a symbol of the relations of solidarity between the two peoples, particularly between Marshal Kim Il-song and His Majesty Norodom Sihanouk.

The Cambodian side briefed its guest on the historic events in the Kingdom of Cambodia, such as the founding of the constituent assembly, the promulgation of a new constitution, His Majesty Norodom Sihanouk's reaccession to the throne, and the formation of the legal government. It said: The government has always kept the door open to the Khmer Rouge, but the latter must unconditionally recognize this new government.

For its part, the North Korean side informed the Cambodian side of the process of national reconciliation between North Korea and South Korea. Concerning the issue of nuclear arms, Korea has proposed direct negotiations with the United States to settle the problem. The Cambodian side supports this position of Korea to hold talks on nuclear arms.

The two sides also discussed the development of mutual cooperation in the economic, technical, cultural, and commercial fields in the spirit of an accord signed in Pyongyang last September.

Philippines President Seeks Diplomatic Ties

BK1011120293 Phnom Penh AKP in English 1000 GMT 10 Nov 93

[Text] Phnom Penh AKP November 10—Philippines has expressed its desire to re-establish bilateral relations between the Philippines and the Kingdom of Cambodia.

The Philippines intention was seen in greeting letter from Philippine President Fidel V. Ramos to King Norodom Sihanouk on the 40th independence day of the Kingdom of Cambodia (Nov. 9).

In his message, Fidel V. Ramos said: "I wish to re-affirm my confidence in the new Government of Cambodia and the desire of the Philippine Government to re-establish bilateral relations between the Philippines and the Kingdom of Cambodia for the mutual benefit and advantage of our two governments and peoples."

Chea Sim Receives Outgoing Thai Ambassador

BK1111085793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 11 Nov 93

[Text] Samdech Chea Sim, acting head of state and chairman of the National Assembly of the Kingdom of Cambodia [KOC], received His Excellency [H.E.] Sunai Bunyasiriphan, ambassador of the Kingdom of Thailand to the KOC, at 1500 on 10 November at the office of the Cambodian People's Party. The ambassador paid a courtesy call and took leave at the end of his two-year diplomatic mission in the KOC. Samdech Chea Sim highly valued the fine diplomatic mission of H.E. Sunai Bunyasiriphan in the KOC, which highly contributed to the search for peace, security, independence, and happiness of the Cambodian people. Samdech Chea Sim also recalled the bond of friendship and the fine relations between the two countries, who have shared a common border for a long time.

Finally, Samdech Chea Sim, profoundly thanked the parliament of the Kingdom of Thailand for inviting a KOC National Assembly delegation for a visit to the Kingdom of Thailand in the future. Furthermore, Samdech Chea Sim wished H.E. Sunai Bunyasiriphan success always in other work in his own country.

Replying, H.E. Sunai Bunyasiriphan expressed great joy for all kinds of assistance and favorable conditions created by the KOC's royal government for the good relations and success of his diplomatic mission and of his colleagues until the end of the mission. During the past two years, he had fulfilled his role and shared weal and woe with the fraternal Cambodian people with the consideration that the two countries, Thailand and Cambodia, have similar traditions and culture.

H.E. Thai ambassador also said that the Royal Thai Government fully supports national unification and reconciliation in order to achieve genuine independence in Cambodia's history under the highest leadership of His Majesty Norodom Sihanouk Varaman, renowned king of the Kingdom of Cambodia.

Khmer Rouge Uphold Sihanouk's Advice on Peace

BK1211035793 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 11 Nov 93

[Station editorial: "King Father Says National Reconciliation Can Only Be Achieved if all Cambodian Parties Compromise, Soften Their Stances, and Recognize Each Other"]

[Text] In his 5 November 1993 message of greetings to a meeting in Phnom Penh, King Father Norodom Sihanouk again pointed out that national reconciliation can only be achieved if all Cambodian parties soften their stances and recognize each other. The King Father called on the Cambodian people to give up differences of opinion and to unite in order to achieve the ultimate objective of rebuilding Cambodia.

The King Father's statement is in conformity with the aspiration of the Cambodian nation and people at home and abroad and is in keeping with that of the international community, which wants to see a four-party national reconciliation reached. As the Paris accord has clearly stipulated, all national forces should participate, and no party should be discarded. Once again, the Cambodian people want the four Cambodian parties to meet and discuss ways to settle their conflicts; what we have agreed upon should be noted, and as for the remaining outstanding problems, we will continue to discuss them one after the other.

The proposal put forward by the Party of Democratic Kampuchea [PDK] that all Armed Forces be incorporated in a unique royal armed force and that an advisory role be created for the PDK's representative is an appropriate proposition badly needed by the entire nation. Only by doing so can Cambodia achieve national reconciliation and peace, thereby allowing other major national issues to be resolved.

Nevertheless, we have remarked that the two-headed government has not implemented the King Father's advice about a peaceful settlement; instead, it has vociferously and vigorously repeated the word 'fighting.' They want to use war as a solution, contrary to the advice given by the king father. Why? Because the communist Vietnamese, their puppets, and an alliance have organized the government into acting that way.

The general public asks if the military gamble can be successful? And when Cambodians fight each other, who will benefit? It is the communist Vietnamese who invade Cambodia and the alliance of the Western superpowers who intend to grab Cambodia for their own interests. Somehow, the Cambodian nation and people never allow them to do away with their own nation; they are holding aloft the national reconciliation banner in compliance with the king father's advice in order to pool national forces to resolve all national problems.

KR Reports Conflicts With Vietnamese Settlers

BK1211052793 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 11 Nov 93

[Text] According to a fresh report from Kompong Cham Province, the communist Vietnamese aggressors have shipped 430 more Vietnamese families to resettle along the banks of Mekong River. It is also reported that shortly after the beginning of autumn, the season when our people are catching fish to make salted and fermented fish dishes, the communist Vietnamese aggressors began sending the Vietnamese to control and occupy areas abounding with fish.

As a matter of fact, they have located 55 families at Peam Chileang Commune, 80 at Tonle Bet, 80 at L'ang Prek Thnaot, 55 at Chihe, 85 at Kaoh Sotin, and 75 at Peam Chikang. Those Vietnamese have built small floating houses along the river banks. They have joined the communist Vietnamese authorities in various districts by telling our people about a stiff law saying that any Cambodians found catching fish in the river will be summarily executed and dumped in the water.

The report further says that the more the communist Vietnamese aggressors send Vietnamese to plunder land and paddy crops, the more vigorous are the conflicts the Cambodian people have with them. The people are extremely furious with the Vietnamese aggressor bandits; they have gone so far as to attack them without warning—causing them to die one after the other—and set their floating houses on fire in order to make them leave. The people shout at them: Vietnamese aggressors go home! Be careful about becoming food for fish or lobsters! The Cambodian people will never allow you to plunder their territory and fish at will! Cambodians have the absolute right to live and make a living as the masters of their own country!

Khmer Rouge 1-7 Nov Military Actions Noted

BK1111044793 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 10 Nov 93

[Text] According to the Third Department of the Khmer Royal Armed Forces [KRAF] General Staff, last week—1 to 7 November—the Democratic Kampuchea [DK] troops engaged in 23 military activities, fewer than in the previous week.

On 1 November some 100-150 DK elements launched a four-pronged attack and, using 120-mm or DK-82 guns, fired over 150 rounds on the position of our KRAF in Svay Leu District of Siem Reap-Oddar Meanchey Province. However, our armed forces were able to repel them, effectively protecting the base. On the same day, a group of DK troops fired three H-107 shells on the 4th Military Region's command post and blew up three bridges in Angkor Chum District of the same province.

On 4 November, a group of DK soldiers planted mines in an area, 9 km northwest of Samraong District, blowing up a vehicle of the 3d KRAF Division and wounding a number of our combatants.

In Preah Vihear Province on 1 November, a group of 80-100 DK soldiers raided the Chey Sen district seat; however, our KRAF counterattacked them, effectively defending the township.

In Kompong Thom Province, DK troops intensified their raids and attacks on the 41st KRAF regiment's position in Ta Kream area of Prasat Balang District on 3 and 4 November. However, our local KRAF forces were able to counterattack and defeat all their military maneuvers aimed at seizing our territory, effectively protecting the position. The next day— 5 November—DK troops launched three more attacks on our positions in Pcheay, Ph'av, and Anlung Kranh. Our KRAF, in their counterattacks to defend the positions, lost two combatants.

In Battambang Province on 1 November, we discovered and seized 20 small boats and 50 kg of explosives, to be used by DK troops to blow up bridges and railroads, in an area between Chrouy Phdau and Boeng Pring communes.

Indonesia

Suharto To Leave for Tunisia, Iran, U.S.

BK1011130193 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 10 Nov 93

[Text] President Suharto is scheduled to pay a state visit to Tunisia and Iran in the near future. Speaking to reporters in Jakarta today, Minister-State Secretary Murdiono said the head of state's upcoming visit to Tunisia is at the invitation of Tunisian President Ben Ali. The first visit to that country is in response to a long-standing invitation extended by the Tunisian president. In view of Tunisia's geographical proximity to the European continent, Indonesia is looking at that country's potential for greater bilateral trade, as well as trade with its neighbors and even European countries.

The head of state's visit to Iran is at the invitation of Iranian President 'Ali Akbar Rafsanjani. President Suharto will be accompanied by Mrs. Tien Suharto, Foreign Minister Alatas, Minister-State Secretary Murdiono, and Nana Sutresna, chairman of the Nonaligned Movement's Executive Board. It is hoped that Nana Sutresna's presence in the two countries will be used to discuss problems existing within the Nonaligned Movement.

After his trip to Iran, President Suharto will proceed to Seattle to attend an informal meeting of APEC [Asia Pacific Economic Cooperation] countries. The president and his entourage are scheduled to leave Jakarta for Tunisia on 13 November 1993.

Suharto Opens Nonaligned Population Conference

BK1111140093 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 11 Nov 93

[Text] President Suharto says the population problem is not a problem faced by developing or Nonaligned Movement [NAM] countries alone, but rather a global problem that must be tackled together. To upgrade cooperation on population issues among fellow NAM countries, it is necessary to adopt a self-supporting attitude. If every family fully understands that the family planning program is aimed at improving family welfare, they will carry out the program responsibly.

The head of state made those remarks when he opened a conference of NAM ministers of population affairs in Denpasar, Bali, this evening. He noted that the efforts of northern countries in population programs has borne fruit, but the population problem faced by the international community is becoming more serious. Southern countries have mobilized their available resources to cope with the problem but still need to receive more aid from northern countries because then the population problem needs to be tackled in a global and comprehensive way.

In another part of his address, President Suharto said human beings now live in a new age; namely, the age of international cooperation. This new age requires great partnership between northern and southern countries and among social organizations. Common determination is also needed to solve the population problem, while fund-raising activities must be further mobilized.

Suharto Meets Singapore President 9 Nov

BK1011094793 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 10 Nov 93

[Text] President Suharto has stressed the importance of upgrading cooperation among ASEAN member countries. The head of state said this when he received a courtesy call from Singapore President Ong Teng Cheong at his Cendana Road residence in Jakarta last night. After the meeting, Sudomo, chairman of the Supreme Advisory Council, said the Singapore president was visiting Indonesia at the invitation of President Suharto. The Singapore head of state arrived in Jakarta yesterday afternoon and is also scheduled to visit Surabaya and Bali.

Two East Timor Rebels Surrender to Officials

BK1111122093 Jakarta ANTARA in English 0954 GMT 11 Nov 93

[Text] Dili, 11 Nov. (OANA-ANTARA)—Two members of the outlawed Fretilin [Revolutionary Front for an Independent East Timor] group, a Security Disturbance Movement [GPK] in East Timor, have surrendered.

"Americo dos Santos alias Maufitun and Rosa Da Cabral gave themselves up to the local security force," Major L. Simbolon, a spokesman of the Wiradharma 164th Regiment, told ANTARA here Thursday.

Maufitun surrendered in Fohogam, Leutem regency, at 8 p.m. local time on Tuesday 9 November. He was carrying a M-16 automatic rifle with 85 ammunitions and a grenade.

Meanwhile, Rosa Da Cabral, six months pregnant, gave herself up on Sunday, 7 November. Her husband, who is also a Fretilin member, is still at large.

The two cited lack of food supplies as the main motivation behind their surrender. They found hiding in the forest without adequate nutrition made their life difficult, Simbolon said.

Maufitun was quoted as saying that he realised he had been a victim of propaganda by Fretilin members living overseas. The group was fighting for East Timor's independence which was a former Portugese colony and Indonesia's youngest province.

"It was all a big lie," Simbolon said quoting Maufitun.

He and Da Cabral will be reunited with their families in line with the authorities' policy to return all surrendering GPK members to relatives to enable their integration back in society.

According to Simbolon, Da Cabral expressed her wish to be sent to "puskesmas", a public health center, when she gave herself up.

"She wants to deliver her baby there and she has heard about the developments progressing in East Timor," he added.

The word "puskesmas" was unknown to East Timorese previously, Simbolon said.

The major believed that the spirit of the GPK members has declined. "Many who are hiding in mountains and forests are starting to surrender and those who remained have resorted to robbing the local villagers," he said. In a recent incident in Bacau, a number of GPK members attacked several local hunters.

Official Faults Firms' Environment Programs

BK1011101193 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 9 Nov 93

[Text] The Agency for Environment Supervision has asked [name indistinct] and Indo Rayon Utama Co. Ltd. to make a comprehensive review of their environment preservation program and to clarify their program in dealing with dangerous and poisonous substances. Sarwono Kusumaatmaja, chairman of the Agency for Environment Supervision, said this to reporters after he signed a technical agreement on antipollution measures with Australian officials in Jakarta today.

Sarwono noted that the Agency for Environment Supervision has dispatched four personnel to the two companies' factories in Porsea, North Tapanuli, to find out the truth. Sarwono, who is also state minister for environment, believes that the management teams of the two companies were not professional, resulting in the explosion of gas tanks containing chemical substances used to process rayon.

Broadcast Satellite Launch Planned for 95-96

BK0911104393 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 9 Nov 93

[Text] Indonesia will launch its first direct broadcasting satellite by 1995 or 1996 at the latest. Information Minister Harmoko said this in his written message to the opening of a plenary session of the National Broadcasting Council in Jakarta this morning.

In his message read by Alex Leo Zulkarnain, director general of radio, television, and film, Minister Harmoko said the government has approved a private company's plan to launch a satellite for direct broadcasting purposes. The National Broadcasting Council is expected to study the potential impacts of such a satellite. The two-day plenary session of the National Broadcasting Council is being attended by participants from various government agencies.

Commentary Lauds Opposition to Rescheduling Debt

BK1111133393 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 11 Nov 93

[Station commentary]

[Text] The government has made it clear that it will not ask foreign creditors to rechedule the repayment of its debts because the country is still capable of repaying its debts. The government's stand was disclosed by Ginanjar Kartasasmita, minister for national development planning and concurrently chairman of the Agency for National Development Planning, in response to a proposal to reschedule foreign debts submitted by members of parliament last Monday.

We can understand the government's rejection of the proposal because the process will not only consume a lot of time, but such a move will also bring a negative impact in the form of foreign countries' declining confidence in our country. As a result, foreign investments may stop flowing and the business climate may deteriorate. Moreover, we can still take comfort in our foreign currency reserves, which stand at U.S.$12 billion, while foreign debt servicing stands at only 16.7 billion rupiah. [sentence indistinct]

A high economic growth rate is needed to achieve an ideal condition for foreign debts repayment. This is reflected in increased GNP, domestic revenues, export earnings, and reduction of imported products.

To prevent the government coffers from being eroded by unnecessary expenditure, the government may adopt a strategy to get leniency in its foreign debts repayments or to use foreign loans in new investment activities, which directly support national exports. Other measures include the development of small but efficient projects, the streamlining of state bureaucracy and business procedures, as well as the promotion of transparency in tender bids.

As for effective foreign debts management, it is hoped that the government's policy will be based on the ratio between foreign debt and exports as well as the ratio between foreign debts and GNP. The above method is usually used to measure and prevent over-borrowing [preceding word in English].

In view of the solid development stage we have achieved, it is indeed unreasonable to reschedule the repayment of our foreign debt. Even though Indonesia's debt stood at U.S. $67.9 billion in 1990 and was ranked with the fourth highest foreign debt after Brazil, Mexico, and India, its economy has not fallen into a debt trap [two preceding words in English] because of our cautious foreign debts management.

Laos

Cooperation Agreement Signed With Cambodia

BK1011154893 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Nov 93

[Text] An agreement on economic, scientific, technical, and cultural cooperation between the governments of the Lao People's Democratic Republic [LPDR] and the Kingdom of Cambodia was signed in Phnom Penh, capital of the Kingdom of Cambodia, on 7 November. Signing for the LPDR Government was His Excellency Somsavat Lengsavat, foreign affairs minister, and signing for the Cambodian side was Prince Norodom Sirivut, deputy prime minister and minister of foreign affairs and international relations.

The agreement stipulates the exchange of vocational students of senior high schools between the two countries, the exchange of training of cadres of different services, the setting up of committees to study amd work out plans to improve and build Route 13 linking Vientiane and Phnom Penh capitals through Laos' Champassak Province and Cambodia's Stung Treng Province, and plan on cooperation in cross-border transit transportation in all water, land, and air routes, including the use of ports in Cambodia. The agreement also specifies the cooperation in preserving environments, including the coopration in the framework of the International Mekong Committee. The two sides have also agreed to cooperate in expanding the civil aviation service of the two countries.

In implementing, the governments of the LPDR and the Kingdom of Cambodia will assign ministries and organizations concerned of their respective countries to hold consultations on means and ways to put the agreement into actual practice immediately after its signing.

Khamtai Thanks Cambodian Leaders for Welcome

BK1111134693 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 11 Nov 93

[Message of thanks from Khamtai Siphandon, prime minister of the Lao People's Democratic Republic, to Prince Kromluong Norodom Ranariddh, first prime minister, and His Excellency Hun Sen, second prime minister of the Royal Kingdom of Cambodia]

[Text] Respected Prince Kromluong and Your Excellency: I am very pleased to inform you, the Kromluang and Your Excellency, that my wife and I, together with the delegation of the Lao People's Democratic Republic [LPDR] Government, have safely returned home. I would like to take this opportunity to express my sincere thanks to the fraternal Cambodian Government and people for according a warm, intimate, and honorable welcome to our delegation during the visit.

The LPDR Government and I highly assess the brilliant success of our visit to the Royal Kingdom of Cambodia as well as the brilliant success of the visit to the LPDR by the Prince Kromluong and Your Excellency in July. We believe that they will become a firm foundation for strengthening the friendship relations and cooperation between the two countries which are good neighbors for a long time for the sake of our prosperity.

I wish you, Prince Kromluong, and Your Excellency, good health and successes in fulfilling your noble duties.

Further Reports on Activities of Thai Princess

Visits Luang Prabang Province

BK1111125893 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 Nov 93

[Text] At 0930 yesterday, Her Royal Highness [HRH] Princess Maha Chakkri Sirinthon of the Kingdom of Thailand left Vientiane capital for Luang Prabang Province by a special plane accompanied by His Excellency [H.E.] Somsavat Lengsavat, foreign affairs minister.

At 1005, HRH the Princess arrived at Luang Prabang airfield and was welcomed by Chansi Phosikham, governor of Luang Prabang Province; members of the provincial administrative committee; and a large number of Luang Prabang residents.

At 1020, HRH the Princess went to Vat Thianthong temple by motorcade to present private Maha Krathin alms to monks.

At 1240, HRH the Princess visited the Luang Prabang provincial school for orphans and proceeded to the Tat Kuangsi waterfalls to leisurely enjoy the scenic site.

At 1800, at the office of the provincial administration, HRH the Princess attended a traditional Basi blessing ceremony organized in her honor by Luang Prabang residents.

At 1915, Luang Prabang Provincial Governor Chansi Phosikham hosted a dinner reception in honor of HRH the Princess. A traditional folk art performance was later staged at the reception.

Before departing for Luang Prabang Province, HRH the Princess went by motorcade to visit the office of the Lao Red Cross Society located on Setthathilat road in Siang Ngeun temple community, Vientiane Municipality, and presented some gifts to the Lao organization.

Visits Bolikhamsai Province

BK1111143193 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 11 Nov 93

[Text] Her Royal Highness [HRH] Princess Maha Chakkri Sirinthon today ended her visit to Luang Prabang Province to present her private Maha Krathin alms to Buddhist temples there. She departed the Luang Prabang airfield at 0910 and made a 15-minute stop at

Wattai Airport in Vientiane before proceeding by helicopter to Khamkeut District, Bolikhamsai Province, to pay a two-day visit to Laksao.

At 1115, HRH the Princess arrived at the Laksao airfield and proceeded by motorcade to a nearby hot spring to enjoy the scenic sights there.

At 1200, HRH the Princess visited Hmong people at Ban Dong Te Village and watched a traditional tribal art performance.

At 1415, HRH the Princess visited the construction site of Nam Phao hydroelectric dam.

At 1450, HRH the Princess visited the Muei ethnic people at Ban Nong-O Village and watched their traditional welcoming and cultural dancing performance.

This evening, Cheng Sai-gnavong, chairman of the Mountainous Region Development Enterprise, will host a dinner banquet in honor of the visit to Laosao by the HRH the Princess.

Philippines

Ramos Delivers Speech on Democracy, U.S. Role

BK1111101793 Quezon City Radio Filipinas in English 0230 GMT 11 Nov 93

[Speech by President Fidel Ramos at a luncheon meeting of the World Affairs Council, Asia Foundation, and Commonwealth Club in San Francisco on 10 November, entitled: "A Global Alliance for Democracy: America's Role"—recorded]

[Text] [monitored in progress] ...we will enjoy our stay in San Francisco, Mr. Mayor, but as the song goes, we will also leave our hearts here. It took us 12 hours to cross the Pacific and touch land in this dynamic city of San Francisco and this great State of California. But we, Filipinos, have a saying that no journey is hard when one arrives to a warm and friendly welcome. And so I should thank you twice for the privilege of this forum; first, for receiving me and second, for getting together for this luncheon meeting with all of us. When these three formidable organizations, the World Affairs Council, the Asia Foundation, and the Commonwealth Club join together in one forum, it has to be for a very good reason and for this I am very deeply grateful.

People here generally take the connection between Philippines and the United States, which are from Manila to San Francisco, some 6,000 miles apart. From the Western expansion of the American Republic, the same pioneering spirit that settled California in the 1850's colonized the Philippine archipelago 50-odd years later, in what Barbara Tuchman termed as a halfhearted imperialism. From San Francisco's Presidio sailed the volunteer regiments who fought in America's only colonial war. From here also in San Francisco embarked the Thomasite teachers who gave my country mass education in English. And so we, Filipinos, like to remember an earlier time when the ties of history float the other way. Some of you may remember that for some 250 years, from 1565 until 1815, the Manila-Acapulco galleons after Pacific crossing, sometimes lasting seven months, made their land fall on the California coast. The voyagers needed way stations after the arduous crossing and this compelled them, the early Spaniards, to settle the California coast from the sea ports from Santa Barbara and San Diego to as far north as San Francisco and Monterey.

Today, the countries swimming this great ocean make up the world's fastest growing region. So vigorous is the trade across the Pacific that it has surpassed the trade across the Atlantic. America is an integral part of this region as the coming Asia-Pacific Economic Cooperation or APEC meeting in Seattle dramatizes. This early, the next hundred years have been tagged as the Asia-Pacific century. Over that period, the countries of the Pacific basin, taken together,may well become in the words of [former Japanese minister] Saburo Okita, the thriving force for dynamism in the world economy. This promise of the Pacific depends on America's keeping to its role at the heart of an open trading region spanning three continents as the fulcrum in the regional balance of power and as a guarantor of regional stability against the ambitions of any adventurist power.

The end of the Cold War has again ignited America's recurring debate between isolationists and internationalists over the objectives and methods of U.S. foreign policy. Those who urge Washington to bring home the American boys and girls still deployed in 20 countries worldwide, from Macedonia to Haiti and Somalia, invoke an argument with tremendous emotional appeal. But isolationism for America, to me, is no longer a practical option. Geography, history, and the linkages of the international economy all compel your country to maintain global interests. As Ambassador Madeleine Albright, your permanent representative to the United Nations, has pointed out, whether measured in arms proliferation, refugees on our shores, the destabilization of allies or loss of exports, jobs, or investments, the cost of runaway regional conflicts, sooner or later, comes home to America, unquote [no opening quotation as heard].

But we have this practical consideration: We, in East Asia and the Pacific, continue to trust in the unique sense of mission which we know is part of the heart of America. These founding fathers of America have a venture greater than just another national enterprise. They saw their country as being a revolutionary message to the rest of mankind. We are the heirs of all time, wrote Herman Melville, and with all nations we divide our inheritance. This inheritance America itself has not always spent wisely. But owing to their belief that America represents humanity's striving for a just social order, America's leaders have always had a spacious sense of American self-interest.

In the 1950's, the sense of a destiny shared with other free peoples expressed itself in the Marshall Plan and the Berlin Airlift, in the North Atlantic Treaty Organization, or NATO, which was America's first peacetime military alliance, and in President Truman's Point Four Program. America's leadership of the United Nations expeditionary forces in Korea, where after finishing at West Point I served as an infantry platoon leader in my country's 20th battalion combat team, was also part of this unique sense of mission. Since the need for cooperation among free nations is not over, the world's need for idealism in American foreign policy today is still as great as it has been this past 40 years. In fact, the end of the Cold War offers the world community an opportunity not only to remove the threat of force from international relations, but also to achieve unprecedented prosperity in a democratic free market system. But this opportunity our world cannot seize without a unifying vision and the will to achieve it, and so we look to America to supply that vision and that will to global alliance for democracy.

What world role do we see in East Asia for America if it is no longer the policeman of the world or the lower Western Marshall of high noon? America can still be the world community's leader in deterring or stemming clear-cut cases of aggression or threats thereof. We believe America must become the motive force of a concert of powers dedicated to keeping the peace in the world for multilateral action. Such a central coalition is now feasible for three basic reasons: First, although mankind has not quite reached the peak of its ideological evolution, the end of history as [name indistinct] imagines, the great powers now certainly share a high degree of ideological agreement; second, the world community shares an even larger area of economic uniformity, the effectiveness of open economies, free markets, unimpeded trade and investment flow has been convincingly demonstrated ostensible in East Asia; the third and the most important reason is that the powers now know that war among them has become unthinkable because such a war is bound to result in mutually assured destruction.

This new concept of power would have been more than enough to do in our disorderly world. As the stability enforced by the Cold War breaks down and repressive regimes collapse, ordinary people are reasserting their local identities against the homogenizing influences of the international culture. All over the world, this modern tribalism generates religious and ethnic quarrels as well as secession and irredentism. The specter of nuclear proliferation has not been exorcised. Right now, 10 countries have nuclear weapons. By the year 2000, their number could reach 21.

Ideally, the central coalition should be housed in the United Nations Security Council from where it can assert the moral authority of the world community. Beyond fighting limited crossfires, America must lead this global alliance in easing poverty and inequality among nations. Democracy believes there are extraordinary possibilities in ordinary people, but in many parts of the world, mass poverty crosses all even that possibility. In Africa alone, according to Oxfam, some 20 million people are poised for the knife-edge between life and death. My own country counts itself relatively well off. But even among us Filipinos, one out of five lives on an individual income equivalent to less than one U.S. dollar a day. This is why we are determined to modernize our economy so that it can lift up the lives of ordinary Filipinos.

Political radicalism is another by-product of underdevelopment. And its root cause maybe frustration within equities of the international economy. We cannot deny inequality among nations. It is still growing at this time. Freed to itself, the international economy develops mechanisms of privilege just as we know national societies do, which lock in the poor countries to their relative deprivation. Our collective concept of social justice has made the leap from the individual in the national community to the individual poor country in the family of nations.

I believe the basic change in developing the world and the change I see is that resort to force in international relations is less and less necessary. In your security and regional stability, more and more, the ban on arms or military alliances but on interdependent progressive economies. Our globe is no longer a world of strategic sea lanes and choke points. Command of the seas is no longer necessary to acquire and preserve foreign markets, and raw material sources as it was during the age of imperialism. The truly global market has risen and its complex linkages are speeded up by the new communications and information technology and it is founded not on force but on mutual benefit. So we can no longer equate nationalism with central planning and closed economy. For nationalism to flourish, it must respond to the demands of globalism. Aside from mutual benefit however, shared dangers also compel our cooperation. Traditional concepts of national sovereignty can no longer cope with the flow across frontiers of environmental hazards, AIDS and other epidemics, dangerous drugs, terrorist weapons, illegal immigrants, and criminal bands. No single state, not even the American superpower, can cope with these nonmilitary threats by itself, and we shall live to agree to new rules and new institutions to deal with them.

In the countries of the Pacific Rim, our goals must ultimately be a community of Asian-Pacific nations. The linkages among our countries are growing organically. Our geographic and economic complimentarities, out of mutual advantage in a word, out of pure active forces and not anymore purely of the formal decisions of government. We are proud in beginning modestly in Asia and the Pacific with practical modes of cooperation that build up mutual reassurance even as we thresh out specific disputes and conflicts. Already we have brought China, Russia, and Vietnam into an informal security forum under the auspices of the ASEAN Post-Ministerial Conference. Our concept in Asia of common security is to seek security with other countries and not against them. To build mutual confidence, not mutual deterrents. To complete the cycle of reassurance, we need America's engagement and commitment in East Asia. We need the United States to help us build a political framework that enables every self-interest to allow no power to dominate the region. Beyond that, we expects America to throw its weight, to propagate democracy, to ensure that democracy blooms in our portion of the world and grows into full flower.

During the Cold War, America was sometimes accused by cynical willingness to sacrifice democracy abroad in order to preserve democracy at home. Now at last America can reconcile power and morality in its foreign relations. America can be to the world, what its founders meant it to be: the ultimate refuge among those yearning to breathe free. From its time on earth, mankind has been striving for the ideal society but this ideal may remain forever beyond our grasp. But as Barbara Tuchman wrote, and I quote, if the great question whether it is still possible to reconcile democracy with social order and individual liberty is to find a positive answer, it will be here in America. In America where that positive answer will be found. If I have any single message for this great country and everyone involved in your organizations which take a keen interest in Asia, it will be this: America, always be true to your spirit for in being true to your values and ideals, you also serve your own highest self-interest and those in the world who wish you well. Thank you and God bless us all.

Ramos Urges Upgrading of Defense Capability

BK1111035593 Manila THE MANILA CHRONICLE in English 6 Nov 93 p 3

[By Frank Longid Jr.]

[Text] Fort Magsaysay, Nueva Ecija—President Ramos yesterday called for the "continuous upgrading" of the country's unilateral capability to defend itself although the RP-US [Republic of the Philippines-United States] Mutual Defense Treaty remains in place.

The President said that while the Philippines can operate alone to cope with internal threats, there exists the need to develop the Navy and the Air Force to effectively guard territorial waters and airspace.

Ranking military officials concede that for all practical purposes, the country is defenseless against aggression by even a modestly equipped invasion force.

Until the withdrawal of U.S. military forces last year, RP-US mutual defense plans assumed the Armed Forces of the Philippines would have the advantage of being assisted by American military facilities, particularly the radar stations. The direct, almost immediate assistance of U.S. troops was also presumed due to the presence of the American bases.

The country has long had a unilateral defense plan, but with the presence of American troops, this was relegated to the background by the mutual defense plan.

Government To Discuss Rebel Chief's Return

BK1111091293 Quezon City Radio Filipinas in English 0230 GMT 11 Nov 93

[Text] The planned return to the country of Moro National Liberation Front [MNLF] Chairman Nur Misuari will form a part of the talking points when government and MNLF panel representatives meet either today or tomorrow. Before going on recess last Monday, Philippine Government and MNLF peace negotiators agreed on the creation of a so-called Mixed Committee tasked to continue consultations on peace process. According to government panel member Congressman Eduardo Ermita, the return of Misuari will likely be tackled by the committee. He also said that the AFP [Armed Forces of the Philippines] Southcom [South Command] and Mindanao-based command must be represented in the Mixed Committee.

Meanwhile, National Security Adviser Jose Almonte says security will be provided for Misuari when he arrives in December to attend the Mixed Committee meeting in Zamboanga.

Government, NDF Confident About Peace Talks

BK1111081093 Manila MANILA BULLETIN in English 6 Nov 93 pp 1, 8

[By E.K. Usman and W.L. Catapat]

[Text] The Philippine negotiating panel's spokesman, Rep. Jesus Dureza, and former National Democratic Front (NDF) spokesman, Satur Ocampo, yesterday ruled out the possibility of failure in the peace process being undertaken by the two groups. The NDF is the political arm of the Communist Party of the Philippines.

Dureza said "we are very optimistic we can proceed beyond the present stage. Any problem can be solved."

Replying to a question on the possibility of a collapse of the peace negotiations, Ocampo said "there's none." Both of them, however, admitted that the peace process has been stalling due to some issues which are still unresolved.

Dureza and Ocampo were interviewed last Thursday night on the television program "Headline" moderated by Mario Garcia on PTV [People's Television] Channel 4.

Exploratory talks between the government and the NDF with Vietnam as venue were scheduled last 18 October, but did not push through. The 15 November timetable may not push through because of lack of time, sources said.

"Initially, the government did not like the idea of having the venue outside the country, but realizing the need to facilitate matters, the government decided to agree on holding talks abroad," Dureza said. He said one indication "we are really trying hard to see to it that the talks will proceed, we suggested 18 October. With 15 November not being realized, we have to wait for any suggested dates from the NDF."

Ocampo, who said the NDF accepted Vietnam as venue for the negotiations, said the NDF will send an advance team to that country to find out what arrangements are being made by the Vietnamese government.

"I think this is an indication of the NDF's seriousness in the peace process with the government," Ocampo said.

Ocampo said "what is encouraging is that the lines are open now between the NDF representative in Utrecht, The Netherlands and the panel here led by Ambassador Howard Dee. They can talk on the telephone, send fax messages, or use the mail."

Affirming Ocampo's observation, Dureza said: "Beyond what we see in the papers and what probably we can talk openly, there is a backdoor channel that we can use." He said "we hope that this (channel) can bridge any gap if there is any gap at all." Ocampo said "these are components of the peace talks that will contribute to success."

He said that as far as the NDF is concerned, the Joint Declaration of The Hague "already defines the framework. This will be the coverage of the negotiations."

Ocampo said the declaration signed a year ago by the government and the NDF in The Netherlands was a "breakthrough." He said that since the breakdown of the 1986-87 peace talks, the NDF has kept the door open for resumption of negotiations. But Ocampo cited problems in the formulation of framework for the peace talks which caused a hardening of positions.

Ocampo said when President Ramos sent Rep. Jose Yap to The Netherlands, "it was a breakthrough because of the agreement (Joint Declaration of The Hague). He said the three principles of national sovereignty, democracy, and social justice, and the four-point general agenda—mutual respect for human rights and international humanitarian law; social and economic reforms, political, constitutional, and electoral reforms; and the agreement on the cessation of hostilities and disposition of forces—are in the joint declaration.

Ocampo said there must be a supplementary agreement defining these terms or else there would be an "interminable deadlock" in trying to interpret the provisions of the declaration.

Dureza said the government's reference to constitutional processes is not to bind the NDF under the stricture of our Constitution.

Earlier, Ocampo had expressed wariness of the NDF when the government mentions constitutional process, rule of law, and others which, the former NDF spokesman said, were among the reasons for the breakdown of past talks between the two parties.

"These should not be a stumbling block, a reason for stalling," Dureza said.

Ocampo said the Organization of Islamic Conference (OIC) is helping in the talks between the government and the Moro National Liberation Front [MNLF] in Jakarta, Indonesia, and expressed the desire to have a third party in the negotiations.

Ocampo said that the active participation of OIC delegates in the Jakarta talks has helped the two panels in resolving minor issues. He said the presence of a third party in the RP-NDF [Republic of the Philippines-National Democratic Front] talks could also be a factor in the early resolution of the RP-NDF peace talks. He cited the United Nations-mediated talks in El Salvador which helped the warring parties resolve their political differences.

Dureza said the government is keeping its options open on a third party in the talks.

Ocampo cited the government of President Ramos for "wanting to achieve a settlement of various armed conflicts, particularly in giving priority to Mindanao's development, to resolve the MNLF problem the soonest possible time."

The TV program ended with a handshake between Dureza and Ocampo.

Communists Forge Ties With Anti-Sison Groups

BK1111115493 Manila PHILIPPINE DAILY INQUIRER in English 8 Nov 93 pp 1, 14

[By Bobby Timonera and Buhay de Guzman]

[Text] Cabanatuan City—Comrades renounced by Jose Ma. Sison three decades ago have found common cause with anti-Sison cadres who recently broke away from the "Stalinist" leadership of the Communist Party of the Philippines [CPP].

The Partido Komunista ng Pilipinas (PKP) [Communist Party of the Philippines], during its 10th Congress at the Araullo University gymnasium here yesterday branded Sison as a "good instrument of the State to divide the progressive movement."

Sison, who in 1968 repudiated the pro-Soviet PKP and set up the Maoist CPP as founding chairman, is believed to have regained leadership of the CPP under the rebel name Armando Liwanag. He now lives in exile in Utrecht, the Netherlands.

Leaders of the PKP, which also celebrated its 63d founding anniversary, announced that they have established "working relations" with the anti-Sison group in Metro Manila.

Pete Baguisa, acting PKP secretary general, said his party has already talked with several legal organizations believed to be allied with the group of Carlos Forte, head of the CPP Metro Manila-Rizal Party Committee.

In June, Forte declared his group's breakaway from the CPP Central Committee over ideological and political differences. Forte is identified in military reports as Filemon Lagman, a former university student activist.

Baguisa said there are no "party-to-party" talks yet between the PKP and Forte's group although he said both have similar perceptions of the Marxism-Leninism ideology.

Their only remaining major difference, Baguisa said, is the CPP faction's continued adherence to armed struggle.

The PKP, after a "political settlement" with Marcos in 1974, abandoned the use of violence which, Baguisa said, has become "obsolete" following the collapse of socialist regimes in Europe and other global developments.

Baguisa said the PKP welcomes plans by Forte's group "to open doors to electoral struggle." The PKP said it is seeking accreditation from the Commission on Elections.

The acting PKP secretary general said his organization has already forged alliances with anti-Sison groups in the labor, peasant and youth sectors, and the intelligentsia.

For instance, Baguisa said, the PKP-leaning Nagkaisang Lakas ng Manggagawa (NLM) [United Force of Workers] will join today's rally of the Labor Alliance for Wage Increase (Lawin) in pushing for a legislated P35 daily wage increase.

The Lawin alliance includes the Bukluran ng Manggagawang Pilipino (BMP) [United Filipino Workers], which is led by former KMU [Kilusang Mayo Uno or 1 May Movement] officials in Metro Manila who recently split from the militant labor center, the Trade Union Congress of the Philippines, and the Federation of Free Workers.

The PKP congress was held for the first time in a public place, with streamers displayed along the streets.

Pastor Tabinas of the PKP's trade union department said the repeal of Republic Act 1700, or the Anti-Subversion Law, last year must have contributed to the members' willingness to go out in the open.

The eldest among the 1,000 congress delegates was Ramon de Mesa Espiritu, 92, who said he was recruited by PKP founder Crisanto Evangelista in the 1930s.

Among the many elderly female members present was Elena Macapagal, 77, wife of the late Felicisimo Macapagal, former PKP chair [as published].

The PKP also elected new members to the Central Committee. The 25-member body will choose from its ranks the members of the Political Bureau, Secretariat, Chairman, and Secretary General.

Communist Party Seeks To Join Elections

BK1111074393 Quezon City MALAYA in English 8 Nov 93 p 2

[By Virgilio Bugaoisan]

[Text] Cabanatuan City—The Partido Komunista ng Pilipinas (PKP) [Communist Party of the Philippines] will seek recognition by the Commission on Elections as a legitimate political party and will join all future elections. The PKP went underground in the late '40s after its elected congressmen were unseated by government due to alleged poll irregularities in their districts.

This was vowed yesterday by PKP Spokesman and Preparatory Chairman Pedro Baguisa during the party's 10th National Congress and 63d anniversary celebration at the Araullo stadium here.

The assembly, the first to be held publicly even as the party surrendered to the Marcos administration in 1974 at the height of the struggle against martial law, was attended by 1,500 members, more than 60 percent of whom came from the barangays [villages] in Cabiao, Nueva Ecija, Baliwag in Bulacan, and Candaba, Pampanga. The PKP, despite of its legal character, last met clandestinely in 1986.

Baguisa said that the party will reaffirm the PKP constitution, approve a plan of action and elect a new central committee during the congress. The elected central committee members will then appoint the secretary general and members of the political bureau. At least 47 leaders are vying for membership in the central committee, which will be composed of 25 regular members and five alternates.

They will replace the last central committee headed by UP [University of the Philippines] law professor and secretary general Merlin Magallona. His committee was dissolved in January and a preparatory committee was created to hasten the election of the PKP's leading organ.

It was not known what precipitated the dissolution of the city- based PKP organ.

Baguisa also lambasted Netherland-based Communist Party of the Philippines [CPP] Chairman Jose Ma. Sison for his continued refusal to accept parliamentary struggle as the best method of pursuing a "political revolution" and insists in employing arms struggle.

Baguisa pointed out that because of Sison, the communist movement in the country is being divided. The CPP, for its part, had long condemned the PKP as a non-entity after it surrendered in 1974 and sought accommodation from the Marcos government. It is not recognized by the CPP as a revolutionary force.

The PKP claims a membership of 7,000 nationwide.

Thailand

Further Reportage, Comment on Workers in Libya

NSC Says No Proof of U.S. Claim

BK1211015993 Bangkok BANGKOK POST in English 12 Nov 93 p 6

[Excerpt] National Security Council [NSC] chief Charan Kunlawanit says Thailand has received information from sources in the United States that a group of Thai workers was involved in construction of chemical weapons factories in Libya. But the claim has never been substantiated.

Gen [General] Charan said yesterday the U.S. sources claimed the workers alleged to be involved in the plants' construction were sent to Libya by three recruitment companies.

Thailand is a signatory of the United Nations' Nuclear Non-proliferation Treaty and had asked the U.S. sources to supply evidence, but none has been forthcoming, he said.

He confirmed there are 25,000 Thai workers in Libya and of these about 15,000 were sent to that country illegally. Their illegal status led to legal action against at least three Thai job placement agencies.

Libyan leader Mu'ammar al-Qadhdhafi has threatened to expel Thai workers but Gen Charan said this was based only on news media reports and the threat has not been officially confirmed. [passage omitted]

Company Manager Speaks

BK1211015793 Bangkok THAILAND TIMES in English 12 Nov 93 p A3

[Text] Wirot Sakunmuthita, manager of W & M Part Company Ltd, an engineering consultant firm in designing tunnels for Libya in Tripoli, yesterday discussed the situation in Libya. He was arrested for illegally sending workers outside the Kingdom.

He said he was contracted to design tunnels for Libya. The first tunnel took three years of study and will take over two years to construct. When the tunnel was completed, he said, he would start construction on three more tunnel projects. Such plans have been put on hold, he said, because four Thai engineers were arrested by the U.S. for working on tunnels in Libya. He would not say whether these tunnels were for the use of building chemical weapons.

"If Libya uses these tunnels for producing chemical weapons, then they have the right to do so. Libya never signed a treaty for the non-proliferation of chemical weapons," he said. Al-Qadhdhafi announced last week that he is expelling 10,000 Thai workers from Libya in retaliation against Thailand for supporting U.S. accusations that Libya was digging tunnels to house chemical war plants.

The first 200 Thai workers who returned home from Libya this week said their work contracts had expired under normal conditions, and that they were not expelled.

Wirot said this situation with Libya is having severe repercussions on Thai businessmen. "Thai businessmen can really make a profitable business in Libya. I was hoping to see Libya as a business center for Thailand. The Thai Government should lead our people to invest there. Libya likes Thai workers, and we have no problem getting along with them. If our Government sincerely tries to solve these problems, Thai investors will receive big benefits," he said.

Because of the U.S. accusations, Wirot said he had to pull out of his tunneling projects in Libya. He also said that expelling Thai workers would not have any effect on the tunneling projects in Libya. Daewoo and Dong Ah companies, from South Korea, would get their workers from other countries, like the Philippines and Pakistan, instead.

Wirot said, "If Libya expels all Thai workers there would be an effect on the Libyan labour force because there are more than 20,000 Thai workers there. I had a conversation with the Libyan officials, who said there are almost 40,000 Thais working in Libya."

Even if Thailand has no diplomatic relationship with Libya, he added, business will improve if the Government makes an effort to clear up the misunderstanding.

"The South Korean government supports their businessmen investing in projects in Libya. Although Libya does not have the currency to pay, they send oil to South Korea," he said.

Deputy Prime Minister Amnuai Wirawan said the Thai government has policies to support their relationship with Libya, but have never had a policy of siding with the US against Libya.

The Foreign Affairs Ministry should be able to solve the problem, he said, but there have not yet been any ministerial level envoys sent to talk with Libya. Deputy Foreign Minister Surin Phitsuwan said there has been no plan to appoint a special envoy for this situation.

Deputy Labour Minister Phaithun Kaeothong reiterated that the 187 Thai workers who recently returned home, did not come home because they were expelled, but because their contracts had expired.

Deputy Prime Minister Banyat Banthatthan said there was nothing to worry about. The statement by al-Qadhdhafi concerning Thai labour was just a complaint to a student conference and nothing more.

Prime Minister Chuan Likphai said there have been no further reports, and so far the situation is not serious and no contracts are being terminated.

Company To End Libyan Linkage

BK1111003793 Bangkok BANGKOK POST in English 11 Nov 93 p 6

[Text] The owner of a Thai construction company alleged to have sent Thai workers illegally to Libya plans to end his involvement with the north African country.

W&M recruitment company owner Wirot Sakunmuthita said his firm would stop digging an underground tunnel for the Libyan Government which Washington claims is part of chemical weapons plants.

Mr Wirot said he was sorry for the Thai workers who suffered most from the allegations and efforts by the Thai Government to distance itself from the project. He also said he was surprised Bangkok had not sent senior officials for talks with their Libyan counterparts.

Mr Wirot, who returned from Libya on Monday, said the morale of Thai workers in Libya was very low following the threat by President Mu'ammar al-Qadhdhafi to expel them in retaliation for Thailand's apparent alignment with the United States.

The company owner was arrested last month along with four others from another company on charges of sending workers to Libya illegally to build giant underground shelters. He said Libyan officials and senior executives of the Libyan company, M.M.C., were worried by the U.S. threat of a military strike to destroy suspected arms plants and they had been enraged by Thailand's apparent position in taking sides with the United States.

Mr Wirot quoted Libyan officials as saying Tripoli had postponed construction of the giant underground shelters for fear the United States would use them as an excuse to launch an air strike. He said the first group of 10 out of a total of 60 Thai workers employed by his company would return to Bangkok next week.

While in Tripoli, he met workers to tell them about Libya's decision to suspend the project. The project is one of four which are interrelated.

"I told them to help themselves and suggested they leave Libya immediately," he said.

Mr Wirot said he did not meet any Thai officials during his two-week stay in Libya.

"I suggested that a senior Thai official should be sent for talks with the Libyan Government to solve the expulsion problem. I believe Tripoli is ready to welcome Thai officials to resolve the problem and the official could comfort Thai workers worried by the latest developments."

Workers told him they had received letters from relatives in Thailand saying police had visited their homes and threatened to arrest the returning workers.

W&M plans to continue dealing with the Libyan Government despite its withdrawal by sending construction materials and machine parts from Europe to Libya.

Mr Wirot said the al-Qadhdhafi government had promised to look at other construction projects for his firm, possibly an office or school buildings. He would probably have to notify the Thai Government and U.S. Embassy in Bangkok, he said jokingly, if the projects involved the construction of underground tunnels.

Mr Wirot said he and a friend were searched at Malta airport en route to Tripoli and then taken to a police station for questioning concerning drug trafficking. He spent more than two hours at the police station before being allowed to continue his journey.

Meanwhile, the Third Provincial Police Headquarters yesterday appointed a committee chaired by 7th Provincial Police Zone Commander Bamrung Koetdi to oversee the investigation into Mr Wirot. Pol Col Bamrung said the case must be treated as "special" as it related to national policy. All returning workers will be questioned, he said.

The committee will hold a first meeting in the next few days and will spend at least two weeks collecting evidence before taking further steps.

Editorial Sees 'Diplomatic Failure'

BK1111113193 Bangkok MATICHON in Thai 11 Nov 93 p 8

[Editorial: "Thailand and Libya"]

[Text] As anxiety over the expulsion of Thai workers from Libya was lingering, Libyan leader Colonel Mu'ammar al-Qadhdhafi announced himself that he would have the Korean company, which employs over 10,000 Thai workers, lay them off and send them back home. The expulsion decision was due to his impression that Thailand is taking sides with the United States in the Libyan-U.S. conflict and to dissatisfaction with the reported accusation made by Thailand that Libya has been producing chemical weapons. This unpleasant event can be considered a Thai diplomatic failure. The whole picture appears to be that Thailand has been dancing to the U.S. tune, and this has infuriated Libya. Thus, the latter decided to take revenge on the Thai workers.

It should be noted that South Korea has many more workers, engineers, and contractors working for Colonel Mu'ammar al-Qadhdhafi in Libya than Thailand. Yet South Korea has maintained closer relations with the United States and depends more on the United States for national defense than Thailand. Why does South Korea never dance to the U.S. tune? How can South Korea maintain good relations with the Libyan Government, and why does Col. al-Qadhdhafi not chase Korean workers out of his country? The Thai Government should thoroughly consider the Korean case.

The Thai Government claimed that it has never accused Libya of producing chemical weapons. But a big news conference was held when the Thai police arrested the Thai engineer who won the contract for the construction of underground tunnels in Libya. The arrested person was also presented to reporters as if somebody wanted the news to reach Washington to please the U.S. policy makers in the White House. Unfortunately, the news went beyond that and reached Tripoli to the ears of Col. al-Qadhdhafi. Consequently, the act of pleasing the United States inevitably became an act of opposing Libya.

The Thai Government must try all ways and means to avert this situation. Although it said it never made any accusation against Libya, the arrest of the engineer tells a different story. The police stated that the engineer was arrested on the charge of illegally sending workers abroad. But they did not make any big news over the earlier legal actions taken against 47 other illegal job placement agencies. Why did they have clamor about the arrest of the engineer as if they wanted to convey a message to Washington? The Thai Government will have to try to give a clear explanation to Libya in this regard if it still wants good understanding with Libya and jobs for the Thai workers there.

This incident is considered a failure of this government's diplomacy. What the people want to know now is whether or not the Foreign Ministry, Interior Ministry, and Labor Ministry held any consultations before sending police to arrest the engineer. Nobody knows if they ever discussed the pros and cons of the arrest, which the Foreign Ministry might not have known anything about in the first place. If they did hold consultations before taking action, they probably think that the gain from the United States outweighs the estrangement with Libya. If that is the case, the general public should be informed.

Minister Welcomes Market Access Discussion

BK1111012593 Bangkok THE NATION in English 11 Nov 93 pp B1, B2

[Text] Deputy Prime Minister Suphachai Phanitchaphak yesterday welcomed the US proposal to discuss issues of market access at the Nov 19-20 meeting of the Asia-Pacific Economic Cooperation (Apec), since such preparatory discussions are expected to help propel the European Community into signing the Gatt agreement for the current round.

In his first official statement on the meeting of the Apec leaders in Seattle, which will be attended by Prime Minister Chuan Likphai, Suphachai disclosed that he had held a telephone discussion yesterday with the U.S. Trade Representative on items which both countries may potentially offer for tariff cuts at the forum.

While Thailand has offered to reduce tariffs on pharmaceutical products, agricultural and medical equipment, the US has asked for cuts in oil seeds and petrochemical products.

The United States, along with the other three so-called "Quad" members—the EC, Japan and Canada—agreed at a July meeting to tariff reductions on manufactured products.

Suphachai said Thailand already plans to reduce tariffs on many items under the Asean Free Trade Area (Afta) time-frame and it is difficult for the country to do more. Thailand wants the U.S. to reduce tariffs on textiles, fishery products and timber.

The deputy prime minister described the exchange of market access concessions among Apec member countries as a "bold initiative" which would pressure the EC to end its resistance to the new Gatt agreement being conducted under the Uruguay Round. Dec 15 has been set as the deadline for concluding the Gatt round.

Suphachai said other topics to be discussed at the Apec meeting during Nov 18-20 are the Blair House accord on subsidy cuts between the EC and the United States (which Thailand supports in their existing form) and the U.S. request that Thailand open up its financial sector, something which Thailand is willing to do at a measured pace.

Premier Chuan will hold a 40-minute meeting with U.S. President Bill Clinton. Chuan will also meet on a bilateral basis with the Chinese and Canadian prime ministers.

In a related development, Asean may put Apec on its agenda at an Asean economic ministers' meeting scheduled for April next year.

Meanwhile, Suphachai reiterated his reservation to see Apec turned into a "free trade community". He said the proposal would, if approved, only create undesirable diversion of trade in the region. The creation of an Apec free trade bloc, he said, would result in the EC establishing its own trading bloc in turn, causing a "bad" atmosphere in world trade. Suphachai did not rule out the possibility of four surprise moves by the U.S. in Seattle:

—The U.S. seeking a deadline for Apec to become a free trade zone which could be 1996 (an election year in the U.S.);

—Inclusion of intellectual property rights protection under Apec if the Uruguay Round cannot be concluded;

—The U.S. seeking talks on the next Gatt agreement after the Uruguay Round

—The U.S. wanting Apec to become an international trade arbitration institution

"We have reservation on all the four points", he told a group of reporters yesterday

He expressed fear of attempting to turn Apec into a free trade zone as recommended by the Eminent Persons Group which was set up to study the future of Apec. Although, the group has not used the words 'free trade community', "What else can it be", remarked Suphachai. The deputy prime minister said Premier Chuan will ask U.S. President Clinton to see that Apec proceeds under the framework of the Uruguay Round.

But the desire to push for a free trade zone could become acute during the meeting of the trade and investment committee, when it meets to study the report submitted by the Eminent Persons' Group. The U.S. has asked Apec to adopt the report but Asean has proposed that it should just "take note."

On the possible proposal to have Apec became an international trade arbitration body, Suphachai said that Gatt already has an established set of rules and mechanisms. Bringing another such institution into existence would only create a "double standard". "Apec must strengthen the Gatt agreement. It must not be a (system of) blocs but open regionalism," Suphachai said.

Foreign Ministry on APEC Free Trade Area

BK1211022593 Bangkok THE NATION in English 12 Nov 93 p B2

[Text] A Foreign Ministry official said yesterday that the Asian Pacific Economic Cooperation (Apec) forum is apparently evolving into a free trade area, but the question is when. The source, who wanted to remain anonymous, said that with trade blocs and trade restrictions in the global trade system increasing, Apec can evolve into a free-trade area.

Amid the increasing economic threats, there is no trading group in the Asia-Pacific region to strengthen the Asia-Pacific countries' negotiating power if trade disputes occur, except for the world's trade negotiating forum, the General Agreement on Tariffs and Trade (Gatt).

"It is the only region which has no machinery to negotiate but at the same time has a lot of trade conflicts between one another," the source said.

Consequently, based on an Eminent Persons Group report, and Australia's proposal and Singapore's response that Apec should evolve into a free-trade area, it is apparent that Apec is heading in that way, the source said.

"Everybody sees that it could go that way. The question is when," the same source said.

Yet the source cautioned that Thailand should not panic over the prospect. Rather, the country should understand that the proposal is partly politically stimulated.

The source said the proposal can be interpreted overall as a push by U.S. President Bill Clinton to leave his mark on history and Thailand should understand that point.

"It is like former President George Bush creating the North American Free Trade Agreement (Nafta), and Clinton wants to create his," the source said.

As the host of the Fifth Annual Asia Pacific Economic Cooperation ministerial meeting in Seattle next week, the United States is actively pushing this year's Apec theme of trade and investment, including making Apec a forum for trade liberalisation within its 15 member countries.

Immediately following the meeting, President Clinton will host a two-day economic leaders' meeting where leaders of the 15 member countries will for the first time meet as a group to discuss Asia-Pacific economic issues.

Besides the United States, Apec members also include Japan, South Korea, China, Taiwan, Hong Kong, the Asean Six, Canada, Australia and New Zealand.

The source said that Thailand should understand, as Singapore already does, that the U.S. proposal shows its strong intention to have a firm engagement in Asia-Pacific once again following its dormant decades after the Vietnam war.

According to the source, the United States also perceives Apec as a balancing tool to press the European Community (EC) to conclude the long-stalled Uruguay Round of world trade talks by Dec 15.

"Apec's crucial stake is to drive the Round to completion as scheduled. And if the Round fails to be concluded, the US also perceives that Apec could be the next forum for global trade liberalisation," the source said.

Yet another Foreign Ministry source affirmed that Apec is not and will not be a substitute for Gatt's Uruguay Round trade negotiations.

"One of the objectives of Apec's meeting this time is to push for the Uruguay Round to be successfully completed according to schedule," the source said.

Citing the equal-footing and burdensharing principle embedded in Apec which results in a consensus concept the source said that Thailand can, at any time, say no if it does not agree with any Apec proposal.

Asked whether the Foreign Ministry expects any surprises, aside from those to be negotiated under the trade and investment theme, during the economic leaders' meeting next week, the source said it does not.

"We believe there won't be any surprises as the 15 Apec economic leaders will talk under the trade and investment framework, which will earlier be discussed at both the ministerial level and senior official level," the source said.

Deputy Prime Minister Suphachai Phanitchaphak on Wednesday warned of four possible surprises during the Apec economic leaders' meeting which include the possibility of setting a date for an Apec free-trade area, shifting the unresolved trade topics in the Uruguay Round to Apec for negotiation instead, and turning Apec into a body to resolve trade disputes.

Businessman Defends APEC Free Trade Area

BK1211010193 Bangkok BANGKOK POST in English 12 Nov 93 p 19

[Text] The Thai member of the Eminent Persons Group, assigned to draft a future vision for the Asia-Pacific Economic Cooperation (APEC) forum, has defended the group's proposal for APEC to move faster towards economic integration.

Speaking at a press briefing yesterday, as officials from APEC's 15 members started leaving for APEC meetings in Seattle, Dr Narongchai Akkharaserani said the proposal for a "community of free-trading nations" would boost the competitiveness and efficiency of the region's private sector.

The report of the Eminent Persons Group, commissioned by last year's APEC ministerial meeting in Bangkok, is likely to be the most controversial issue discussed at next week's meetings.

Deputy Prime Minister Suphachai Phanitchaphak told reporters on Wednesday that the United States wants APEC to endorse the report. This would mean that by 1996, APEC—which conducts 30-40 percent of world trade—will have decided on a programme that would head it towards some kind of free-trade and investment agreement.

Unlike Dr Narongchai and other members of the Eminent Persons Group, Dr Suphachai argues that this is a particularly bad moment to be advocating closer ties within APEC because it will distract from the Uruguay Round of global trade reform talks. The round's latest deadline for conclusion is December 15 and many issues remain unsettled.

Dr Narongchai, chief executive officer of GF Finance and Securities Company, said that if APEC is upgraded to a trading community the competition within its private sector will increase because of the preferential trading and investment arrangements. However, if APEC remains the consultative body it is today, it will not have a good effect on trade because it is very loosely structured.

Dr Narongchai believes the private sector could adjust to free trade, as is currently being pursued under the ASEAN Free Trade Area (AFTA) plan to reduce tariffs to 0-5 percent within 15 years. He said the Eminent Persons Group had proposed a community of free-trading nations as a goal for APEC, and that it decide on the matter in 1996.

"The community of free-trading nations is not a free-trade area because it provides room for other countries to trade with the group on condition that those countries also reduce tariffs to the same level as the group. A free-trade area promotes trade within the group but excludes countries outside," Mr Narongchai said.

The Eminent Persons Group also suggested a finance ministers' meeting to discuss macro-economic and other financial issues, mechanisms to facilitate trade and investment, and cooperation on energy, human resources, telecommunications and transportation.

On Wednesday, Dr Suphachai rejected the proposal for the meeting, arguing that other forums already exist.

Government Ready To Cut Taxes Under GATT

BK1211024793 Bangkok THE NATION in English 12 Nov 93 p B4

[Text] Thailand is prepared to cut taxes and open its service sector under the new round of the General Agreement on Tariffs and Trade, according to a senior Finance Ministry official. Somchai Rachuphan, director-general of the Fiscal Policy Office, said Thailand was ready to reduce taxes to help conclude a new Gatt agreement.

Under the Uruguay Round, the new Gatt agreement is two years late and the final deadline is Dec 15.

Somchai reiterated Thailand's plans for opening the financial sector which were a subject of talks earlier this week with visiting top officials of the U.S. Trade Representative and Treasury Department. He quoted U.S. officials as expressing confidence in concluding a new Gatt agreement soon as the only major conflicting point is with the French (on farm subsidy cuts). Problems with other Gatt members are described as minor.

The officials were also quoted as saying that the United States has leverage, through the North American Free Trade Agreement (going before Congress on Nov 17), to press the EC to make a Gatt agreement. Furthermore, there is the Asia Pacific Economic Cooperation (Apec) forum.

"So the U.S. is giving great importance to the Apec meeting," Somchai said.

Thailand, he said, is confident the Gatt deadline will be met and is monitoring this last phase of the talks closely. The country is prepared to change its taxes at any suitable moment. "We have not made any commitment but are willing to do so if the tax change benefits the country," Somchai said. The tax overture is being complemented by the plan to restructure the customs taxes which will lead to lower taxes on several products.

Informed sources said Thailand has offered to cut taxes on imports to an average of 33 per cent, short of the Gatt requirement of 25 per cent.

The high average is due to the high taxes protecting certain industries such as automobiles and petrochemicals. Officials are now looking to cut taxes on items in which the country is competitive in order to bring the average down to 25 per cent.

Among the country's competitive industries are textiles, garments and gems.

In Geneva on Nov 15, trade officials of Gatt member countries are to present more tax cut proposals.

Government Hopeful on Double Taxation Pacts

BK1211023593 Bangkok THE NATION in English 12 Nov 93 p B3

[Text] The Revenue Department expressed confidence that the double taxation treaty negotiation with the United States should be complete and signed next year. Some of the remaining stumbling blocks in the negotiation are international transportation, and tax calculation on net profit from companies which issue debentures.

According to Lata Opasathit, deputy director general, the Revenue Department plans to complete double taxation treaty negotiations in 1994 with the United States, Spain, South Africa, Kuwait, Czechoslovakia [as published] and Mexico.

Two more negotiation rounds per country are expected before treaties are signed, she said.

The negotiation with the United States has been going on for more than 25 years.

Previously, it boggled over the issue of tax sparing in which the U.S. Congress refused to allow for a tax credit system not involving actual cash transactions. This tax rebate pertains to projects promoted by the Thai Board of Investment [BOI].

The tax sparing issue has since been resolved as both sides agreed not to accept tax rebates where no actual tax payment transpires. Thailand will eventually drop the tax incentives under the BOI.

Lata said the United States wanted to include excise taxes in the double taxation treaty to cover any potential American investment in liquor and automobiles in Thailand. Bangkok explained to Washington that excise taxes cannot be included in the double taxation treaty.

Both sides are now negotiating on the tax waiver for international transportation. The proposal calls for a 30 per cent tax reduction to 15 per cent. However the United States wants aircraft and ship leasing to be included. Bangkok refused to yield to the U.S. request as it would place it at a great disadvantage.

Regarding tax applying to companies listed on the stock market, the United States wants to render tax payments based on the net profit. The Thai side declined because most American businesses do not have a presence or permanent establishment in Thailand subject to a tax deductible at source.

Another tax issue addresses individuals forming a joint venture to issue debentures or conduct money lending. Usually, there is a tax allowable under the double taxation treaty but the United States seeks imposing full taxation or 30 per cent. This contradicts the Thai double taxation principle.

Lata regarded these conflicting points as minor and could be resolved soon.

Vietnam

Leaders Speak at Paris Donors News Conference

BK1111150993 Hanoi VNA in English 1447 GMT 11 Nov 93

[Text] Hanoi VNA Nov. 11—The first international donor conference for Vietnam, co-chaired by the World Bank [WB] and the UNDP, ended successfully in Paris yesterday.

A press conference on the fine results of the meeting was jointly held at the WB headquarters by Chairman of the State Planning Commission Do Quoc Sam, Deputy Foreign Minister Vu Khoan, and the co-presidents, Ms Elena Martinez, representative of UNDP and Mr Callisto Madavo, representative of the WB.

At the press conference, the Vietnamese delegates expressed satisfaction at the success of the donor conference for Vietnam, which drew the participation of more than 20 countries and 16 international organizations.

According to a press release made available here today, an approximate amount of 1,86 billion U.S. dollars has been pledged by donors, of which 650 million, the amount requested by Vietnam, should be disbursed in 1994.

In the statement by the delegation of the European communities at the conference, the EC Commission noted that the EC's co-operation programme in Vietnam, since the normalization of relations in 1990, had led to commitments of 16.6 million ECU for 1991, 27.7 million ECU for 1992, and more than 40 million ECU for 1993. (1 ECU corresponds to 1.2 US). The EC's commitments for 1994 have not yet been decided but will be at the level of 30 to 40 million ECU. This figure is considerably greater if the pledges of individual EC member states are taken into account.

All EC assistance is in grant form, the press release says.

The greater part of these funds have been used for the EC international programme for reintegration of Vietnamese asylum seekers. When this programme is completed—the target date is 1 December 1994—the EC will have contributed 50 million ECU to the reintegration programme (donations have also come from the UK, Italy, Holland, Denmark, Norway and Japan).

The EC further intends to commit 16 million ECU for a technical assistance programme to assist Vietnam's transition to market economy, envisaged to start in the spring 1994, and running for three years. The EC has already funded NGO [nongovernmental organization] activities for 2 million ECU and provided funding for private sector joint ventures and others totalling 2.4 million ECU.

The EC Commission is confident that a framework trade and cooperation agreement will be concluded between the community and Vietnam, possibly already by the end of 1994 the press release continues. The agreement will cover both trade and investment questions, development assistance and cooperation in many sectors. Emphasis is placed on the need to support the economic reform process in Vietnam in the transition to market economy. Under development assistance the emphasis will be on poverty alleviation, the role of women in development, protection of the environment and the sustainable management of natural resources.

Phan Van Khai Meets With French Businessmen

BK1011161693 Hanoi VNA in English 1607 GMT 10 Nov 93

[Text] Hanoi VNA Nov. 10—Deputy Prime Minister Phan Van Khai has received a number of entrepreneurs of major French and international companies during his stay in Paris for the donors' conference on Vietnam from Nov. 9-11.

During the reception, the entrepreneurs all expressed their aspiration to invest in, cooperate with and support Vietnam in its national construction.

Mr. Laurin, president of Bureau Veritas, a group specializing in international industrial and commercial development, wished to cooperate with Vietnam in defining the quality and effectiveness of industrial projects and quality of export and import goods.

For their part, Mr. Rick Mayo Smith, president of Bank MB of Indochina, and Mr. Yves Mantelet, director of GEC-Alsthom, expressed their desire to invest about one billion usd in the construction of a thermo-electric power plant in Vietnam's northern coal-mining province of Quang Ninh.

Also at the reception, Mr. Tchuruk, president of Total which has for years done business with Vietnam, wished to invest more in Vietnam through oil refinery projects. Mr. Marcel Roulet, president of France Telecom, whose branch has set up in Vietnam, also expressed his wish to continue assisting Vietnam through the installation of automatic and mobile telephone systems, the construction in Vietnam of ground relay-stations suitable for Vietnam's various regions and for the whole Asia.

The deputy prime minister highly appreciated foreign entrepreneurs' wishes for further cooperation with and investment in Vietnam. He informed them of Vietnam's major plans to develop industry, trade, energy, post and telecommunications and so on.

Trade Union Elects Executive Committee

BK1111151393 Hanoi VNA in English 1432 GMT 11 Nov 93

[Text] Hanoi VNA Nov. 11—The Seventh National Congress of the Vietnamese Trade Unions today elected a 125-member executive committee of the Vietnam General Confederation of Labour.

On the second day, the congress also heard a number of interventions which particularly stressed that the trade unions organizations of all branches and at all levels should actively protect jobs and the interests of all workers and civil servants and trade unions should be organized in the non-state economic establishments.

Do Muoi Addresses Trade Union Congress

BK1111125393 Hanoi Vietnam Television Network in Vietnamese 0100 GMT 10 Nov 93

[Speech by General Secretary Do Muoi at the Seventh Congress of the Confederation of Vietnamese Workers' Opening Session at the Ba Dinh Conference Hall in Hanoi on 10 November—live]

[Text] Dear Comrades Pham Van Dong and Vo Chi Cong, advisers to the Communist Party of Vietnam [CPV] Central Committee;

Dear members of the congress presidium, distinguished guests, and delegates to the congress;

On behalf of the CPV Central Committee, I warmly welcome the Seventh Congress of the Confederation of Vietnamese Workers [CVW] and delegates to the congress who are representing the willpower, aspiration, and intelligence of the Vietnamese working class, echelons of the laborers, and all cadres and members of the CVW.

On this occsion, I would like to convey, through you, the Central Committee's kind regards to all laborers, elites, and manual workers who are working enthusiastically at various establishments and agencies responsible for production, business, construction, services, and national defense security. These are people who have greatly contributed to the cause of stabilizing and developing our nation. [applause]

The Seventh CVW Congress is convened at a time when the nation is experiencing many major changes. We have overcome, in some areas, the economic recession; made progress in other areas; and begun attaining economic assets. Although the standard of living of workers and the majority of our people is still low, their daily lives have been improved. There is progress in education, public health, science, industry, culture, and the arts. National defense and security have been consolidated and democratic rights have been enhanced. Achievements in the campaigns to encourage the people to amass wealth by honest means; fight hunger and poverty; repay those who have given meritorious service to the fatherland; and help the sick, homeless, poor, students and so forth are new, encouraging factors.

In our efforts to overcome numerous difficulties and ordeals, we have not only been able to firmly maintain our political stability, but also have identified new impacts for development despite the fact that the reactionary forces have continued their schemes to sabotage our national reconstruction.

These achievements should be attributed to our people's efforts to consistently bring their spirit of patriotism, unyielding revolutionary impetus, and tradition of great unity into full play. They have enthusiastically participated in and actively implemented the renovation process which is in conformity with the law of development, the people's aspirations, and the situation in the new era. The renovation process was set by the Sixth CPV Congress and supplemented by the Seventh CPV Congress in which the worker-peasant-intellectual class plays a decisive role.

Since its founding about half a century ago, our worker class—whose pioneer organization was the Communist Party of Vietnam—has firmly assumed the revolutionary leadership role. Our worker class has always taken the lead in all activities and effectively mobilized the people to participate in the protracted and arduous struggle for national independence and freedom.

Today, with its stronger and more powerful force, our worker class has continued to develop this tradition while asserting its role and responsibility in the new situation. That is to strive to lead the people to attain ever greater achievements in the process of renovating and developing the nation.

The CVW, undergoing various revolutionary stages, has proved itself as a true politico-social organization under the party leadership. It has helped to unite, integrate, and mobilize the worker class and all Vietnamese laborers to fight for the cause of independence, freedom, and happiness, thereby contributing greatly to our nation's victories.

On behalf of the party Central Committee, I would like to highly commend the worker class, echelons of laborers, and the CVW for their great contributions to the fatherland. [applause]

Dear comrades, developing the multisectoral economy and shifting to the market economic system under the state management in accordance with the socialist orientations are the correct process aimed at releasing the production force and encouraging all people and social forces to participate in national development programs. This process will lead to changes in the social structure of the worker class as well as great change in the economic structure.

Together with existing key industries such as machinery, energy, transportation, and communications, and so forth, new industries such as oil and gas, electronics, informatics, biological technology, air and naval nagivation, tourism, and so forth have emerged. Besides the workers in the state-owned economic units, the number of workers in nonstate sectors has increased quickly in a very diversified form, ranging from workers in private economic units, joint ventures to factories and handicraft cooperatives.

The agricultural economic structure and our rural areas have also changed. A part of the peasant youths will become agricultural workers and industrial workers in the countryside. Our working class will increase in quantity, upgrade in quality, and gradually become a modern worker class.

At present, about 5 million workers are working in different state and non-state sectors. The workers in state sectors are progressively adapting to market mechanisms. They are a force directly producing the most important goods and services of the nation. Productivity, quality, and efficiency of some sectors have increased. The life of workers in some establishments has been improved. Those workers are the people who are the beholders of key production establishments and technology.

Representing the advanced production force of the society, the worker class certainly has a vanguard role in the progress of the history and in the undertaking of renovation, construction, and protection of the fatherland. They understand that the central bureaucratic and subsidized economic management has fundamental shortcomings which limit the development of the production force and that we need to determinedly change it to a new structure. They also understand that in the changing process, besides basic advantages, they have to solve many difficult and complex issues for the nation and for ourselves. Accepting that, our working class continues to develop its fine tradition to steadfastly and firmly follow the path chosen by Uncle Ho and our people. They accept hardship and difficulties to carry on the renovation with the people all over the country.

Our workers and intelligentsia are capable of quick adaptation to modern technologies. On one hand, they apply inventions and discoveries to fully exploit existing technologies. On the other hand, they know how to invest in new equipment and technology for more achievements in research and in applying new science and technology, especially in helping peasants to apply new agriculture technology.

Besides these positive aspects, workers and laborers in some sectors and establishments are facing difficulties and complexes arising from the renovation process. Through the rearrangement of state economic enterprises, nearly 700,000 working people have to leave the production line and their work. Only a small number of them have found new work. About 600,000 people are still suffering from the lack of regular work in state-run economic units. A fairly large number of workers have not been trained for new skills or their skills are still inefficient for the demands of the industrialized process and new technology.

Their work ethic is not matching the requirement for industrial activities in the market mechanism. Some are lazy with little conscience for organization and discipline and refuse to study to improve their knowledge and skills.

Working conditions in many production establishments have not improved. Workers' health, especially that of female workers, has not been given proper care. Vocational disease is on the increase. Accidents at work are still a worry for everybody. The lives of workers has improved in some aspects, but generally speaking, many are still facing hardship. Their material and cultural activities are still poor. The earnings of many workers are still at a middle to low scale, and unstable. Those are the shortcomings that must be overcome and solved.

The Eighth Plenum of the Sixth Party Central Committee confirmed that the driving force for success of a public campaign is its capacity to meet practical interests and its congruous combination of interests and duties of the people. In this, the practical interest of a worker, and also his driving force, is work and income.

The uniform application of the policy to develop a multisector economy, diversify ownership and business management styles, encourage individuals and foreigners to invest for business together with government efforts to upgrade the economic infrastructure, develop key sectors, and pay more attention to educational and medical issues has gradually created conditions for basically solving employment problems. At the same time, the party and state have issued concrete guidelines to deal with urgent problems relating to retrenched and unemployed workers, discharged soldiers, school graduates, and youths. One of the main targets of this policy is to create a social system to provide jobs for working people. We have, however, to admit that its result is still poor, the unemployment figure is still high. In the coming period, we have to strive much more to overcome that situation. This policy of creating more jobs must be amended, perfected, and applied practically.

The party and state have worked out a policy under which employees receive payments in cash and have taken steps to restore order and overcome the situation in which an across-the-board payment policy is applied to workers. At the same time, efforts have been made to improve the social insurance policy, the housing policy, and other policies.

Because of its role as manager of business and social activities, the state is dutybound to look after the cultural life of workers and respond to their spiritual needs. As far as our society is concerned, instead of depending on other people, everyone should work to support themselves. Benefits must be commensurate with the fruit of one's labor and income must be based on actual work performance in keeping with the principle of fair income distribution based on work efficiency. In that spirit, once they have fulfilled their obligation to the state and have contributed part of their income to serve reinvestment and production expansion purposes, workers are entitled to the right to receive not only payments based on the value of their actual work performance but also part of the surplus value generated by their contributions to business activities. This practice is the very indication of the superiority of the new regime.

As early as March 1947, President Ho Chi Minh signed Decree No. 29, which stipulated that as an incentive, workers in the industrial and commercial sectors may participate in the annual profit-sharing system and that the profit-sharing ratio is to be determined by each enterprise. We need to apply that concept of Uncle Ho to the present situation. At the same time, efforts must be made to devise a system which enables workers to buy a certain number of shares from their business organizations and which allows worker representatives to participate on management boards. This practice will create conditions for employees to become the real masters and as such, they will link their individual rights and benefits with their own duties and responsibilities toward the work efficiency of their enterprises and will harmoniously combine the common interests of the nation with those of the collectives and individual workers.

First of all, we should work out that system and apply it to the state sector at the right time and appropriate level and should see to it that each business establishment takes steady steps to implement it. It is necessary to sum up the results of pilot projects at an early date and draw experiences for further program expansion step by step so as to encourage other economic sectors to do likewise to serve the common interests of business organizations, employers, and employees. The same system could be applied to the study of the issue relating to party members' participation in economic activities.

To create favorable conditions for the implementation of this policy, state business establishments must get rid of the bad practice of filing reports on profits they actually do not earn; make every effort to operate profitably; perfect the mechanism of product contracts with labor groups and laborers; and apply a remuneration policy commensurate with production output, product quality, and work efficiency.

To generate jobs and increase workers' income under the market mechanism, the party and state must work out policies and plans to provide training and retraining to workers. Our brother and sister workers, however, must uphold their fine traditions, make efforts to attend training courses to improve their knowledge and professionalism, draw experience, develop initiatives, adopt an industrially fit attitude, abide by discipline and regulations, and improve their political and professional levels. Steps must be taken to equip the working class with better knowledge. This is a pressing demand of the struggle to form a generation of modern working class capable of meeting the requirements of the process of national industrialization and modernization at present and especially in the coming decade.

Dear comrades and friends: I concur with the orientations and goals set forth by this congress to make sure that the Vietnamese working class is large in size and is politically firm, knowledgeable, highly professional, and dynamic and creative, thus proving itself worthy of its leading role in the revolutionary undertaking. I would like to stress the importance of a number of additional points as follows:

Regarding the objects of the motivation campaign initiated by the Confederation of Vietnamese Workers, they should include all wage earners throughout the country. It is necessary to educate our brother and sister workers so they can profoundly understand and actively implement all orientations, tasks, policies, and regulations of the party and state; practice thrift; protect public property; increase production; improve product quality and work efficiency; make efforts to fulfill or overfulfill production targets; heighten vigilance; and satisfactorily carry out the two strategic tasks of building and defending the fatherland. Steps must be taken to motivate trade union cadres and members to positively participate in the movement to build pure and firm party organizations and consolidate the people's administration so it can be capable of managing state affairs with high results. Measures must be taken to deal with corruption, bribery, and acts of bullying the people.

It is necessary to step up the application of theoretical research to real life situations concerning the worker mobilization campaign in the new stage. It is important to prepare personnel for the national industrialization and modernization process and, henceforth, work out appropriate educational measures to guarantee that the motivation campaign brings about union organizations in private business establishments, share-holding corporations, and joint ventures with Vietnamese and foreign investors.

We must concentrate our energy on building a strong worker class—first of all, the worker contingents in the economic sector and state management domain. We must strengthen unity, unite the worker class, attach workers' benefits to national interests, and make the workers a nucleus of the worker-peasant-intellectual alliance, a main force for the success of the national industrialization and modernization.

In addition to the worker class, there are also more than two million people working in the scientific, technological, education, public health, culture, and social fields. They are members of trade unions within the Confederation of Vietnamese Workers. A relatively large number of them are intellectuals, who have a very important role in the current national construction undertaking. Most them come from the working class; therefore, they also are a component of the worker class. The party and state must care for their lives and create conditions for them to bring their creativeness into play.

At the same time, the party and state must educate intellectuals to increase their responsibility, improve their knowledge and professional skills, work with high effectiveness, and contribute their best to the renovation of the country. The trade unions are responsible for assisting and recommending the best workers, intellectuals, and other working people for party membership to replenish cadre resources for the party and state.

As a member of the Vietnam Fatherland Front, the trade unions are responsible for motivating workers to build a great national unity block to unite people from all social classes and levels and overseas Vietnamese to develop a combined strength for the construction and protection of the fatherland in the new situation.

Labor disputes are unavoidable in a market-oriented economy with different economic sectors. The best way to resolve these disputes is through negotiation between employees, employers, and the state. As a representative of workers to sign labor contracts, the trade unions should find out problems that may lead to disputes, take the initiative to organize negotiations, and to ensure the cooperation between employers and employees on the basis of mutual benefits between the two sides and between the state and the private sector. This will encourage employers to invest more to develop production and business and to create more jobs.

The government must introduce laws and policies to protect the legitimate interests of employers as well as workers and to ensure social justice. We suggest the National Assembly quickly promulgate a labor law which will be used as a legislative foundation for the legal and reasonable settlement of labor disputes.

An urgent aspiration of our workers and laboring people is the resolute and efficient fight against corruption, smuggling, and other social evils. Corrupt people use every trick and exploit every loophole to embezzle state and private property. In essence, they are ripping off the worker class and laboring people. Trade unions must educate, motivate, and organize workers and trade union members, especially union representatives of state management organs and economic units, to actively partake in this unnerving fighting against corruption and other social vices. The government will introduce regulations so that trade unions can directly and effectively take part in the fight against corruption and negativism. Trade unions should set up an appropriate organization to satisfactorily implement this urgent task.

In dealing with corruption, together with severe penalties, it is necessary to study the reform of the management structure. This should be considered the basis measure to stop the current practice of corruption.

I would like to tell you that we can set up a procedure to give priority to workers to purchase company shares as we implement Uncle Ho's 1947 decree on the annual profit-sharing system. The percentage of shares we sell to the workers will depend on the type of corporation. We will allow workers to have a share of ownership in enterprises by doing this. Then, the workers can participate on the board of management of corporations. Therefore, the workers really are the masters of business organizations.

If we can do that, we will achieve two goals: First, to create a revolutionary dynamic among the workers to enthusiastically increase production and satisfactorily practice thrift in production for their own benefits and for national interests, and second, the workers will eagerly and actually fight negativism at the respective business organization because of their active involvement.

We found that the peasants did not take proper care of their rice crops when we centralized all responsibility at the cooperative management level under the old type of cooperatives. A fundamental change occurred after we reformed the management structure in agriculture production by introducing the contractual system. Peasants are much more diligent in their work. And the negativism in agriculture cooperatives was basically solved.

This is a historic lesson in agriculture production. This lesson can be applied in industry and commerce by selling company shares to workers so that they can obtain possession of the company. In doing that, workers can join the board of management and exercise their right as masters of the enterprise. Consequently, we can build momentum for development and favorable conditions to eliminate corruption in the state enterprises. This is a very major issue, one of many structures that needs to be introduced to eradicate corruption from the state economic sector.

After this, we must have another structure to eliminate corruption and bribery in the state management sector. This is also an important task and it requires a structure to eradicate bribery in our government mechanism. So far, we have strictly dealt with discovered corruption cases. We will continue doing that, but we still need to introduce a structure to basically eliminate corruption. At present, corruption is prevalent, and the public may bitterly criticize our party's leadership, the state's management, and mass organizations' performance if we fail to stop corruption.

Our state is being criticized by the people and society. Ours is an elected state, which is entrusted with the task of handling national affairs. Why is it that corruption continues to go unchecked? According to our people, under the party's leadership, we have succeeded in resolving major problems confronting the nation. Why is it that corruption is still allowed to drag on like that? It can be said that corruption poses a major problem. Under the principle of party leadership, state management, and people's mastership, let party organizations, state agencies, front committees, and mass societies heighten the sense of common responsibility and do all they can to resolve once for all this negative phenomenon before it develops further and ultimately exploits the working class and laboring people. [prolonged applause]

In light of the open-door foreign policy worked out by the party and state, Vietnamese trade union organizations should broaden their ties with world trade union organizations and other trade union organizations abroad to exchange experiences; promote solidarity and friendship; and contribute to the cause of peace, stability, cooperation, and development in the region and the world as a whole.

To meet the requirements of trade union activities under the new conditions, it is necessary to provide training and retraining to trade union cadres and work out appropriate measures to replenish and train a contingent of new trade union cadres at all levels. It is necessary for trade union organizations to overcome the practice of patterning their structures and operating procedures after those adopted by state agencies or administrative organs. Trade union cadres should not portray themselves as state officials, but first of all as social activists. They should adopt the serious stance of the working class and possess a solid knowledge of the market economy, legal systems, social science, and human civilization. Furthermore, they should know how to deal with people and issues relating to the occupations of workers and other laboring people. They should also know how to learn from modern science and technology.

It is necessary to select trade union cadres from the revolutionary movement of workers and other laboring people. It is important to see to it that trade union cadres win the hearts and minds of the masses, are capable of representing the rights and duties of workers and other laboring people, and are fully qualified to handle difficult problems. In addition to the body of trade union cadres who have been forged by real life situations, steps must be taken to train a contingent of specialists to take charge of trade union activities. The party and state should formulate mechanisms and policies to create favorable conditions for the operations of trade union organizations.

Dear comrades: Our country is facing a new situation, which is full of great opportunities and fierce challenges. Let us take advantage of all opportunities, stand firm in the face of challenges, overcome all difficulties and obstacles, and quickly lead our country forward. Let our entire party, people, and army achieve singlemindedness; strive to consolidate and broaden the all-people solidarity bloc; uphold the spirit of independence, sovereignty, and self-sufficiency and self-help; and develop the fine national traditions and traits. Let's be determined to carry on the great undertaking initiated by our fathers and forefathers and devote efforts to making the people rich and the country powerful, bringing about justice and civilization in society, and successfully carrying out socialist construction step by step.

The party Central Committee is convinced that the Vietnamese working class will develop its strength with each passing day and outstandingly fulfill its vanguard role in that great undertaking. It is my hope that you, comrades, will exert efforts to make trade union organizations truly represent the strength, talents, and wisdom of tens of millions of workers and other laboring people in our country in the new stage and maintain a blood-and-flesh relationship with them. It is necessary for trade union organizations to devise diversified activities to meet the practical needs and interests of our brother and sister workers and serve as a firm prop and a socialist school for the working class and other laboring people.

I wish you, comrades, good health and happiness. I wish your congress fine success. [prolonged applause]

Phan Van Khai Receives Czech Trade Minister

BK1011154593 Hanoi VNA in English 1538 GMT 10 Nov 93

[Text] Hanoi VNA Nov.10—A government economic delegation of the Republic of Czech led by Minister of Industry and Trade Vladimir Dlouhy has paid a visit to Vietnam.

The Czech delegation was received by Deputy Prime Minister Phan Van Khai and had working sessions with Trade Minister Le Van Triet, chairman of the State Committee for Cooperation and Investment Daq Ngoc Xuan, and Minister of Heavy Industry Tran Lum.

During the visit, the Czech minister expressed his country's interests to develop investment and cooperation programmes with Vietnam in the production of locomotives, trucks, beer, high-quality grass and other light industrial products for export. The Czech delegation also showed interests in engagement in Vietnam's projects on power and small-sized irrigation works.

More Reportage on Lao Delegation Visit

Vientiane Radio on Visit

BK1111134793 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 10 Nov 93

[Text] The high-level National Assembly delegation of the Lao People's Democratic Republic [LPDR], headed by Chairman Saman Vi-gnaket, paid a courtesy call on Le Duc Anh, president of the SRV, at the presidential office in Hanoi on the evening of 8 November. According to a KHASAN PATHET LAO correspondent, the meeting between the host and guests proceeded under an atmosphere of warm and intimate friendship. President Le Duc Anh hailed the visit to the SRV by the LPDR National Assembly delegation, which he said created favorable conditions for the legislative orgnizations of the two countries to draw lessons from and exchange them with each other. This helps in carrying out their duties so they can further increase mutual assistance and support for more effective cooperation.

The high-level delegation of the LPDR National Assembly arrived in Hanoi on the morning of 8 November to pay an official friendship visit to the SRV at the invitation of Nong Duc Manh, chairman of the SRV National Assembly. At the official welcoming ceremony in Hanoi, Chairman Nong Duc Manh hailed and welcomed the visit by Chairman Saman Vi-gnaket and entourage, terming it a gesture contributing to the strengthening of friendly relations, special solidarity, and comprehensive cooperation between the LPDR and the SRV as well as between the two legislative organizations.

On the afternoon of the same day, the high-level LPDR National Assembly delegation and Chairman Saman Vi-gnaket held talks with the high-level SRV National Assembly delegation, which was headed by Nong Duc Manh, chairman of the SRV National Assembly. They met at the Ba Dinh Conference Hall in Hanoi. The two sides informed each other of the political situation and the implementation of policies concerning economic, cultural, and social development in each country. The two sides also informed each other of the outcome of the implementation of the programs of action of each side in the past year, especially the activities in strengthening legislative organization. The two sides were unanimous in rendering assistance to each other in training technical cadres for the legislative assemblies of the two countries by exchanging visits by technical delegations twice a year.

Chairman Nong Duc Manh hosted a dinner banquet later that evening in honor of Chairman Saman Vi-gnaket and his party at the presidential office in Hanoi.

9 Nov Activities Reported

BK1011133393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Nov 93

[Text] On 9 November, Lao Parliament Chairman Saman Vi-gnaket and members of the visiting delegation paid a floral tribute to the Ho Chi Minh Mausoleum and visited the late president's office and living quarters.

Accompanying Comrade Saman Vi-gnaket and the delegation were Comrades Phung Van Tuu, National Assembly vice chairman, and Tran Van Phat, deputy head of National Assembly External Relations Committee. The slogan on the wreath read: President Ho Chi Minh Lives Forever in Our Revolutionary Undertaking.

At the house on stilts where President Ho Chi Minh used to live and work, Chairman Saman Vi-Gnaket signed the honor guest book. Also this morning, Chairman Saman Vi-Gnaket and other Lao guests visited the Ho Chi Minh Museum, where Chairman Saman Vi-gnaket also signed the honor guest book.

Today, the high ranking delegation of the Lao People's Democratic Republic [LPDR] visited the Hanel electronic company in Hanoi, the Lao Embassy, and the Tran Quoc Pagoda. A representative delegation from the

Vietnam-Laos Friendship Association paid Chairman Saman Vi-gnaket and other guests a courtesy visit. The LPDR's ambassador in Vietnam, Mr. Khamphet Phengmeuang, accompanied the delegation during these activities.

Will Visit Southern Provinces

BK1011155393 Hanoi VNA in English 1543 GMT 10 Nov 93

[Text] Hanoi VNA Nov.10—The visiting high-level delegation of the Lao Supreme People's Assembly led by Saman Vi-gnaket, Politburo member of the Lao People's Revolutionary Party Central Committee and president of the Supreme People's Assembly, left here this morning for the southern provinces. The Lao delegation which arrived here on Nov. 8 for an official friendship visit was seen off by Nong Duc Manh, Politburo member of the party Central Committee and chairman of the National Assembly, Nguyen Ha Phan and Dang Quan Thuy, deputy chairmen of the National Assembly, Yngong Niekdam, chairman of the Na's Council of Nationalities, Vu Mao, head of the NA office, and others. Lao Ambassador to Vietnam Khamphet Phengmuong was also present at the farewell ceremony. Speaking at the ceremony, Chairman Nong Duc Manh welcomed the Vietnam visit by the Lao delegation this time as an important event in the relations between the two countries. He expressed his wish that the special friendship and solidarity and all-sided cooperation between the two parties and states in general and the legislatures and the people of Vietnam and Laos in particular would be further developed. On behalf of the Lao guests, President Saman Vi-gnaket thanked the National Assembly and the people of Vietnam for their hospitality. He reaffirmed the Lao people's determination to further promote the special friendship and solidarity and comprehensive cooperation between the two parties, states and the people of Vietnam and Laos. On this occasion, he conveyed the Lao people's regards to Vietnamese families whose members had sacrificed their lives to Laos' national liberation cause and construction.

Radio Cites AFP on Japanese Pledge of Aid

BK1011153793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 9 Nov 93

[Text] According to AFP, a Japanese Foreign Ministry official revealed today that Japan will grant an aid package of about 60 billion yen, or about $556 million, to Vietnam in this financial year. The aid package will be used mainly to finance infrastructure projects.

Details of the aid package will be announced at the Paris Conference of Donors to Vietnam on 9-10 November. The projects to be financed include the expansion of thermal power plants and upgrading the Hanoi-Ho Chi Minh City Railway as well as Haiphong Port.

This is the first time Japan has promised to finance infrastructure projects in Vietnam.

Citibank Opens Representative Office in Hanoi

BK1111065193 Hanoi VNA in English 0609 GMT 11 Nov 93

[Text] Hanoi VNA Nov. 11—Citibank, one of the major U.S. banks, officially opened its representative office in Hanoi yesterday.

Citibank is the first U.S. bank allowed by the U.S. Government to transfer remittances to Vietnam. It has opened branches and offices in 90 countries, and has the largest receipts in banking business in Asia.

Besides inquring into the Vietnamese market, Citibank has opened courses and symposiums on credit cards in Vietnam.

Citibank is now applying for opening another representative office in Ho Chi Minh City.

Do Muoi Wants Workers To Own Shares

OW1111052593 Tokyo KYODO in English 0414 GMT 11 Nov 93

[Text] Hanoi, Nov. 11 KYODO—Workers in Vietnamese state-run enterprises should be allowed to buy shares in their companies, the general secretary of the ruling Communist Party has proposed.

Do Muoi said at the opening ceremony in Hanoi on Wednesday [10 November] of a national trade union congress that provisions should be studied and worked out to enable workers to buy, on a preferential basis, a percentage of the shares of the enterprises where they work.

This will make workers the real masters of the enterprises and link their interests with the performance of the enterprises, he said.

Muoi added, however, that the idea should be applied in the state-run economic sector at appropriate times and suitable levels so as to make progress.

Vietnam is now experimenting in issuing shares in a small number of state-run enterprises but so far has not found a suitable way to do it at the cumbersome and inefficient state-run enterprises that used to be the mainstay of its economy.

Party members involved in businesses might also be allowed to buy shares, Muoi suggested. This issue is a headache for the party leadership, because it touches on what the party has traditionally regarded as exploitation of workers.

Lai Chau Prepares for Party National Congress

BK1011151393 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Nov 93

[Text] The standing committee of the Lai Chau Provincial Party Committee recently held an expanded conference to discuss the draft political report for the upcoming mid-term Party National Conference.

Most conference attendants agreed with the content of the draft report of the Central Committee. Some representatives, however, raised the issue of inequalities among different economic elements and the lack of assistance for state-managed and cooperative business sectors. Hence these sectors have not been able to develop their economic leadership role. Other representatives contended that the policies on mountainous areas have not been genuinely carried out or are done too slowly, thus widening and accelerating the socioeconomic discrepancy between the mountainous and the lowland regions. The state needs to have a definite policy to regulate income distribution and support the localities with low economic potential or efficiency so that they can also develop.

Party Delegation Visits Northern Provinces

BK0911114993 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 8 Nov 93

[Text] On 1-7 November, Comrade Vu Oanh, member of the party Political Bureau; Comrade Phan Minh Tanh, member of the party Central Committee, director of the party Mass Motivation Central Department, and member of the National Assembly Standing Committee; and other comrades paid working visits to Tuyen Quang and Ha Giang.

At the working sessions with standing party committees, people's councils, people's committees, and mass organizations in the two provinces, Comrades Vu Oanh and Phan Minh Tanh commended the local people of all ethnic lines for their unity, endurance, and creativeness to score initial socioeconomic achievements. They have been implementing freedom of religion together with their efforts to prevent bad elements from their antirevolutionary activities. They have improved the local economic and husbandry structure to exploit the advantages of having a border and mountainous area with a mild climate. The contingent of cadres in the two provinces has developed, especially ethnic cadres.

Comrade Vu Oanh suggested that the provinces take further advantage of their locality to reform their production structure for higher efficiency. The two provinces should draw more experiences, increase experimental projects, and create favorable conditions to improve their local socioeconomic and cultural situation. At first, they have to upgrade the general knowledge of the ethnic people, concentrate on their efforts to alleviate poverty, and quickly apply technology into production.

Ministry Reviews 1993 Agricultural Production

BK0911105793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Nov 93

[Text] The Ministry of Agriculture and Food Industry reported that in reviewing the 1993 agricultural production nationwide, it is found that 11 provinces—two provinces more than last year—have attained a gross grain production output of more than one million tonnes. They include Long An, Dong Thap, Tien Giang, Can Tho, An Giang, Minh Hai, Kien Giang, Hai Hung, Nam Ha, Thai Binh, and Thanh Hoa Provinces.

Before the application of the new agricultural management system, only the former province of Hau Giang attained a gross grain output of more than one million tonnes because it has the largest cultivated area in the country.

These achievements will help the nation to fulfill the 1993 grain target of more than 24.5 million tonnes despite the fact that rice acreage was reduced by almost 60,000 hectares. It is likely that Vietnam will be able to attain its grain target of 25 million tonnes next year.

Australia

Foreign Minister Hints at Wish To Join NAFTA

BK1111060293 Melbourne Radio Australia in English 0500 GMT 11 Nov 93

[Text] Australia's foreign minister, Gareth Evans, said Australia could eventually try to gain entry to NAFTA [North American Free Trade Agreement]. Senator Evans said Australia could try to join the trade pact if other world trade negotiations failed, but he said his government was confident that there would be a result in the talks on the Uruguay Round of the GATT.

Keating Sees 'Strong Signs' of Economic Recovery

BK0811085093 Melbourne Radio Australia in English 0500 GMT 8 Nov 93

[Text] Australia's prime minister, Paul Keating, says there are definite signs the nation's economy is on the road to recovery. Speaking at a convention on Asian trade in Adelaide, Mr. Keating said there were now strong signs economic recovery and other improvements in business conditions. Mr. Keating said one sign of economic recovery was a significant growth in manufacturing exports over the past year.

Unemployment Rate Rises to 11.2% in Oct

BK1111070493 Melbourne Radio Australia in English 0500 GMT 11 Nov 93

[Text] A flood of extra job seekers has left a substantial rise in Australia's unemployment rate. Linda Mottram reports official figures for October show 11.2 percent of Australia's work force is out of a job, the highest unemployment rate since December last year.

[Begin Mottram recording] The figures from the Bureau of Statistics again confirmed the persistent nature of Australia's unemployment problem, with unemployment now on the rise since June this year. The total number of Australians without work is 983,000. The only positive sign is that the rate of participation in the work force, that is all the people who were looking for work as well as those in it rose for the fifth consecutive month, up 0.4 percent, indicating slightly increased confidence in the market and 33,000 more Australians found work during the month. The progressive unemployment which hovered around 11 percent for most of the year means it remains one of the major political hurdles facing the Keating labor government. [end recording]

Singapore Premier's Remarks on APEC Viewed

BK0611112493 Sydney THE AUSTRALIAN in English 20 Oct 93 p 8

[Editorial: "Another Good Sign for APEC Forum"]

[Text] In comments reported by THE AUSTRALIAN today, Singapore's Prime Minister, Mr Goh Chok Tong, gives another reason for expecting gradual but rewarding progress in the Asia-Pacific Economic Co-operation forum. Mr Goh says he supports Australia's ambitious hopes for APEC although, like less ambitious colleagues in the Association of South-East Asian Nations, he emphasises that progress may have to wait on consensus.

The most dramatic projection of APEC, of course, would be as a fully fledged community of free traders. Right now, that could only be asserted as an ultimate goal, as the APEC Eminent Persons Group [EPG] recognises in a report to be presented at next month's informal meeting of leaders in Seattle. But the EPG clearly feels that an opportunity to commit APEC to an ambitious future should be taken as soon as possible. The pace of progress in APEC will depend partly on how regional sensitivities are handled and what happens in the world trading order.

Mr Goh says that "essentially, Singapore supports Australia's position" on APEC. That is a strong endorsement and very encouraging. For Australia, APEC would give institutional form to our wish for closer economic links with the Asia-Pacific region.

But APEC is at an early stage of institutional growth. At the Seattle meeting, leaders will exchange informal ideas about the forum's future. That future will be shaped partly by the interaction between ASEAN and non-ASEAN agendas. United States adoption of Australia's proposal for a regular leaders' forum, for example, was a two-edged sword. It signalled American seriousness about engagement with the region and gave the leaders' forum a political momentum Australia alone could not have given it. But it also excited fears within ASEAN, especially in Malaysia and Thailand, that a US agenda might dominate the new grouping.

In this context, Mr Goh had a reassuring message. At this stage he feared no US domination, saying it was up to ASEAN to make its own presence felt within APEC. The leadership of Indonesia, which assumes the APEC chairmanship next year, will be critical as our Prime Minister, Mr Keating, has recognised.

An Asia-Pacific economic community, as envisioned by the EPG, seems distant. It would be unwise to prejudge what reception the EPG report might receive in Seattle. What is important, however, is that the EPG makes clear it sees such a community as non- discriminatory. And it sees any Seattle statement embracing such a goal as a way to put more pressure on discriminatory traders to complete the Uruguay Round of the world trade talks. For, whatever statements about an APEC future are made in Seattle, it remains the case that the greatest immediate benefit for its members would come from a successful Uruguay Round.

New Zealand

Bolger Confident of Victory; Markets Unstable

BK1111013293 Hong Kong AFP in English 0038 GMT 11 Nov 93

[Text] Wellington, Nov 11 (AFP)—New Zealand Prime Minister Jim Bolger said Thursday he was confident his party would hold the highest number of seats in parliament and so would seek to form a minority government. But financial markets were showing signs of nervousness despite evidence of cooperation among political parties in the wake of last Saturday's general election which produced a hung parliament.

The election Saturday saw the ruling National Party take 49 of the 99 seats, the Labour Party 46 and the Alliance and New Zealand First parties with two each. The final outcome depends on the counting next week of 200,000 special votes.

Speaking at the first post-election party caucus Bolger noted the uncertainty.

"We don't know until the special votes are counted which party will have the largest number of seats in parliament. The odds are we will. We're three in front at the moment. If that happens, we will seek to form a minority government and continue to govern in the best interests of New Zealand."

Before caucus Bolger met Alliance leader Jim Anderton for an hour.

"Whoever is the government finally will have to rely on support in many instances from the minor parties," Bolger said after the talks.

Anderton said the purpose of the meeting was to tell Bolger the Alliance considered the party with the most seats had the right to govern "and we will not frustrate that." Anderton has said he is not interested in forming a coalition government with either of the major parties and would not bring down a government on a confidence motion.

"It's a matter of constitutional propriety, not a matter of personal preference." Anderton said a second meeting, this time with Opposition Leader Miae Moore.

On early trading Thursday sharemarket prices fell sharply and wholesale interest rates rose as worried financial markets reacted to the latest political news. In just five minutes of trade, the top-40 stocks index tumbled 43 points from Wednesday's closing level.

Telecom lost 13 N.Z. cents (seven U.S. cents) to 3.87 dollars and Fletcher Challenge lost 9 cents to 3.83 dollars.

Speculation that Finance Minister Ruth Richardson will be dumped as National moves to placate opposition parties fuelled uncertainty about future economic policy.

"An increasingly gloomy atmosphere has descended on the financial markets...as the realisation sinks in that the ball game has changed and New Zealand is not the attractive investment destination that it was before Saturday," said broker Don Turkington of Cavill White Securities.

In the debt markets, 90-day bank bill rates jumped from 6.15 percent late Wednesday to 6.35 percent.

The New Zealand dollar was sold down by traders in London and New York overnight, but found good support here at around 54 U.S. cents, compared with a Wednesday New Zealand close of 54.25 U.S. cents. But outside the markets parties are cooperating to keep the economy moving.

Agriculture Minister John Falloon was due Thursday to announce a continuation of a review of the troubled kiwifruit industry after consulting Anderton.

Anderton, who caused a market stir Wednesday by saying he did not want Richardson to continue as finance minister, said Thursday that that was only his opinion and he accepted that the whatever government had the right to pick its own cabinet.

"I'm not trying to be a powerbroker or kingmaker in that. If I'm asked whether I prefer one or the other well I'll say that, but I'm not going to veto that."